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NARRATIVE REPORT

1. Introduction

Hull is a unique city with a proud maritime heritage. As an 'entirely urban island' surrounded by the deeply rural East Riding of Yorkshire and the Humber Estuary; it serves a large hinterland of coast and countryside.

Covering 7,145 hectares (27.59 square miles) Hull has one of the most tightly drawn administrative boundaries in the country. Its population of 271,900 live across 3 areas made up of 21 wards and include a disproportionate share of low-income, poorly-qualified, unemployed and economically inactive residents living in some of the most deprived areas of England. The city's natural suburban villages (e.g. Cottingham, Hedon, Hessle, and Willerby) are in the more affluent East Riding of Yorkshire, many of whose residents commute into the city for work and for retail / leisure activities.

Hull is the only east coast city to have a port within its administrative boundaries. The Port of Hull is the largest single item of transport infrastructure within the City and is a major national centre for the offshore renewables sector. The sustained redevelopment programme undertaken by Associated British Ports has made Hull one of the best-equipped freight and passenger centres in the UK, with additional capacity for growth. The M62, stretching across Britain, links Hull to Liverpool (via Leeds and Manchester) and intersects with the north-south A1/M1 (London to Edinburgh) route route.

Hull Key Facts

- Hull is home to 271,900 people (2023) with a travel to work population of 531,800 (2021). Recently revised population estimates for each year 2012 to 2021 show that previously released mid-year estimates were significantly under counting the local population in the years preceding the 2021 Census. In fact, during the ten-year period between 2011 and 2021 there was a total cumulative population undercount of 47,848 people. This undercount has largely occurred amongst young people aged 7 – 20 (1,973 undercount), and working aged people aged 33 + (6,756 undercount).
- There are currently 124,170 residential properties in Hull (2023). This number has grown by an average of over 670 properties in each year over the last five years; with continued large-scale house building and city centre conversions / developments.
- The local economy is worth £6,930m (2023); an increase of £605m (9.6%) compared to the previous year. GVA per head of population is now estimated at £25,776, which is below both the regional figure of £27,309 and the national figure of £33,976 (2022).
- During the 12 months to September 2024, an average of 4,200 residents were classed as unemployed (3.3%); which is a 400 reduction from the previous year. Whilst higher than the previous three quarters, current total unemployment remains at one of the lowest levels on recent record; and is below the national rate (3.8%) for a fifth consecutive quarter.
- However, over the same period, an average of 122,600 residents were classed as in employment (71.5%); which is a 5,800 reduction from the previous year. This is below both the regional (73.3%) and national rate (75.7%), and one of the lowest levels of employment in over five years.
- The DWP unemployment benefit claimant count provides a more up to date picture of unemployment in Hull. As of February 2025, there are 10,875 residents of Hull claiming unemployment benefit (6.3%); an increase of 635 claimants compared to the same month of the previous year. The current number / rate is at one of its highest levels since April 2022.
- There are 138,000 jobs based in Hull (2023) – a decrease of 1,000 jobs from the preceding years. Most of the jobs in Hull are based in manufacturing (16.4%), human health and social work (15.6%), wholesale and retail trade (14.8%) and administrative and support service activities (11.7%).
- In 2024, Hull is home to just under 8,700 local businesses – a small reduction of around 150 businesses from the previous year, but the second consecutive year of decreases. Whilst most of these businesses are micro, employing 0 – 9 people (76.8%); Hull has a higher proportion of medium and large sized businesses compared to regionally and nationally.

- Median resident full time weekly wages in Hull are currently £598.10 (2024). This is £133.90 below the England average. Over the last year weekly wages in Hull rose £23.20 (4.0%), to their highest level on record, but this growth was below both regional (6.3%) and national (6.2%) wage growth; and the wage gap between Hull and England has therefore increased.
- Hull is ranked as the 4th most deprived local authority in England (2019). 45% of LSOA in Hull are amongst the 10% most deprived nationally, 22.7% of households experience income deprivation and 16.6% of households experience employment deprivation.
- Nearly 20,800 (38.2%) of all children under 16 in Hull are estimated to live in relative low-income families (2023). This is an increase from the previous year (37.3%), and the 13th highest proportion of children in relative low-income families of all local authorities in the UK.
- Over 24,300 households (20.4%) experience fuel poverty in 2022 – compared to 19.9% the previous year.
- Life expectancy at birth is approximately 3.8 years below the national average for males and 2.9 years below the national average for females (2021-23). Life expectancy has increased slightly in Hull in the last year between 2020-22 and 2021-23 by 0.3 years. Life expectancy at birth among Hull men is now similar to what it was in 2008-10, whilst life expectancy at birth among females is the same as it was in 2009-11.
- Healthy life expectancy, for both men and women, is over 7 years below the national average and decreasing (2021-23). Comparing healthy local life expectancy and life expectancy at birth suggests males in Hull experience an average of around 21.0 years of ill health (27.9% of their life), while females experience 25.6 years of ill health (31.9% of their life).
- The GCSE average Attainment 8 score (2023/24) in Hull is 41.6; below the regional figure of 44.2 and the national figure of 46.1, a decrease from 43.0 the previous year, and the lowest average Attainment 8 score on recent record. 36.8% of students in Hull achieved grades 5 or above in English and Maths (compared to 46.2% nationally) and 57.4% achieved grades 4 or above (compared to 65.4% nationally). Both are a decrease from the previous year.
- As at 31 March 2024 the rate of Children in Need in Hull (540.8 per 10,000 children) was almost double the national rate (332.9 per 10,000 children), but a reduction compared to the previous year (563.1 per 10,000 children). Likewise, the rate of Children Looked After (122 per 10,000 children) was nearly twice the national rate (70 per 10,000 children), but a reduction compared to the previous year (128 per 10,000 children).
- During the 12 months to September 2024, an average of 56,800 working age people in Hull with are EA core or work-limiting disabled. This equates to 33.8% of working age people (compared to 25.8% nationally). The number / rate of working age disabled residents during the last three quarters has been at its highest level on recent record.
- Crime in 2024 was 8.7% lower compared to the previous year (3,356 fewer offences); including a 5.1% decrease in sexual and violent offences. Over the same period there was a 10.1% decrease in incidents of ASB. (323 fewer incidents).

Council Statistics

- Responsible for over 23,000 council homes (2025).
- Responsible for (state funded) 124 nursery school children, 25,048 primary school children, 16,980 secondary school children, 807 special school students and 398 students in Alternative Provision (2023/24).
- 8,774 children with Special Educational Needs (2023/24).
- 4,548 children referred to children's social care services (2024).
- Nearly 14,600 school children known to be eligible for free school meals (2023/24).
- Over 106,800 tonnes of household waste collected, of which 49,700 (46.5%) sent for recycling (2023/24).
- Assessed 3,760 households of which nearly 3,331 were assessed as owed a duty (1,814 prevention duty and 1,517 relief duty). 1,105 households secured accommodation for 6 months or more. (2023/24).
- 5,387 employees (4,539.39 FTE's) (workforce report - 31 March 2025).

2. Significant Issues for 2024/25 and Beyond

The Council's key challenge is responding to increasing demand for services following over a previous decade of reductions in the money it has available. The Council, and City, as Yorkshire's only major port, faces specific challenges and opportunities in relation to exiting the European Union. There are also a wide range of further challenges as well as opportunities:

- Maintaining key infrastructure and improving the environment.
- Improving economic productivity, skills and education.
- Devolution and the role of cities.
- Climate change and living with water.
- Rising service demands and expectations of adult and children's social care services.
- Income inequality and impacts of welfare reform.
- Digital access and the provision of online services.
- Working more efficiently within the council and across partnerships.
- Future funding of local government.

Responding to these challenges, the Council will design and develop services that not only identify opportunities for working together with partners, but also to an approach that:

- **Promotes independence** – people and communities are able to do things for themselves rather than relying on public services for care and support.
- **Supports community resilience / family networks** – an emphasis on supporting existing and new community networks and providers.
- **Intervenes quickly and effectively at an early stage** – identifying and targeting our support on early signs of difficulty, rather than on the high cost / acute services, on the basis that prevention is better than cure.
- **Prioritises independent, self-supported communities** – rather than institutional support and care.

3. Community Plan

The Council approved a Community Plan for 2024-2034 in November 2023. The Community Plan sets out six ambitions and three commitments which will be the key areas of focus for the Council, along with its partners, over the next ten years: The six ambitions are:

- Safe and Welcoming Neighbourhoods
- A Healthier and Fairer Hull
- Reaching our potential
- Economic Growth that works for all
- Responding to the Climate Emergency
- Our Culture, Our Heritage, Our City

The three Commitments are:

- Engagement of all residents and communities
- Strong, united leadership committed to improving outcomes
- A focus on inclusion

In developing the Community Plan, the Council has been clear that development and delivery will only be as strong as the engagement, listening, and working with communities that has been, and will continue to be, created. During the development the Council has sought feedback from a wide range of partners, residents, and stakeholders all of which has informed the final plan.

As the City Plan came to an end, it was timely to develop a new plan for the city. This presents a new opportunity to reset the relationship with our residents and ensure resident voice directly informs strategic priorities going forward.

The adoption of a Community Plan by the Council enabled the implementation of policy, investment, and savings decisions to be carried out within a clear framework. The Community

Plan, together with other key strategies, will help support the ongoing development of area-based plans.

The provision of a clear statement of intent, in the context of ongoing public austerity and increasing service demands, will support services and partners to prioritise resource allocation for revenue, capital, savings and transformational programmes.

The Community Plan will also provide a simple communication tool to ensure that the Council's staff, partners, and residents are able to understand the priorities of the Council and the areas in which we are seeking to work with others and the role of the Council in Hull. This clarity is particularly important for partners involved in investment decisions who require evidence of prioritisation and ongoing commitment to funding support and that these priorities and commitments are embedded in policy.

The Community Plan will provide a framework for assessing delivery against key outcomes for the Council and its partners, and therefore influence performance management and measurement. For the Council, this is articulated within the Council Plan 2024-2028.

The plan provides a framework for prioritising its scarce resources and , supported by a wide range of other strategies and plans, create a golden thread running across the organisation, demonstrating how activity is linked to delivery of the ambitions and priorities.

4. Devolution

The Council, in collaboration with East Riding of Yorkshire Council and the Government, worked to legally establish and form the Hull and East Yorkshire Mayoral Combined Authority (MCA) during 2024-25. The MCA will work to focus on a regional scale for investment providing Hull access to opportunities beyond the local level. The MCA will continue to evolve in future years and focus on developing the prosperity of Hull and East Yorkshire. The priorities set out in the Devolution Deal were:

- More jobs
- A better-connected region
- Affordable homes
- Fit and Healthy communities
- Investing in our young people

These will develop over the next year as the MCA develops its strategies into investment plans that will start to become fundamental to the Council at a local level in securing economic growth for our city.

City Plan Performance: 2024-2025

Population	Period	No	%	England	Previous	Direction
Total Population	Mid 2023	271,942	-	-	268,677	▲
Working Age (16 – 64)	Mid 2023	175,203	64.4%	62.9%	64.6%	▼
Median Age	Mid 2023	36	-	40	37	▼
Non UK Born Population	2021 Census	34,962	13.1%	17.4%	7.5%	▲

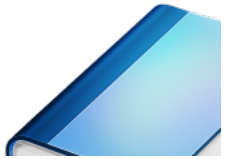
Working Age Employment	Period	No	%	England	Previous	Direction
In Employment	Oct 23 – Sep 24	122,600	71.5%	75.7%	73.6%	▼
Unemployment	Oct 23 – Sep 24	4,200	3.3%	3.8%	3.5%	▼
Economically Inactive	Oct 23 – Sep 24	42,100	25.1%	21.2%	24.5%	▲
Claimant Count	February 2025	10,875	6.3%	4.4%	5.9%	▲

Economy	Period	No	Rate	England	Previous	Direction
GVA / GVA Per Head	2022	£6,930m	£25,776	£33,976	£23,733	▲
No of Enterprises / No Per 1,000	2024	6,505	23.9	41.1	24.8	▼
No of Local Units / No Per 1,000	2024	8,695	32.0	47.4	32.5	▼
Jobs / Jobs Per 1000 Aged 16-64	2023	138,000	0.79	0.87	139,000/0.80	▼

Deprivation	Period	No	% / Rate	England	Previous	Direction
Multiple Deprivation (LA Rank)	2019	4th	-	-	3rd	▲
GDHI / GDHI Per Head	2022	£4,250m	£15,818	£23,338	£15,086	▲
Resident Median FT Weekly Wages	2024	£598.10	-	£732.00	£574.90	▲
Children in Poverty (Under 16)	2024	20,791	38.2%	21.8%	37.3%	▲

Health	Period	No	%	England	Previous	Direction
Male Life Expectancy	2021 – 23	75.3	-	79.1	75.0	▲
Female Life Expectancy	2021 – 23	80.2	-	83.1	79.9	▲
Working Age Disability	Oct 23 – Sep 24	56.800	33.8%	25.8%	35.0%	▼
ESA Claimants	Aug 2024	9,299	5.3%	3.3%	5.7%	▼

Crime	Period	No	Rate	England	Previous	Direction
All Offences	Yr to Dec – 24	35,171	-	-	38,527	▼
Criminal Damage and Arson	Yr to Dec – 24	3,309	-	-	4,173	▼
Violence and Sexual Offences	Yr to Dec – 24	15,802	-	-	16,651	▼
ASB	Yr to Dec – 24	2,874	-	-	3,197	▼



Young People and Education	Period	No	% / Rate	England	Previous	Direction
Pupil achieving a 9 – 5 pass	2023/24	-	36.8%	46.2%	38.9%	▼
Pupil achieving a 9 – 4 pass	2023/24	-	57.4%	65.4%	58.0%	▼
16 – 17 Year Olds NEET (inc NK)	2023/24	537	8.1%	5.4%	6.7%	▲
Overall State Funded School Absence	2023/24	-	7.6%	7.1%	7.8%	▼
Looked After Children / Per 10,000 Child	As at 31 Mar 24	747	122	70	128	▼
Children in Need / Per 10,000 Child	As at 31 Mar 24	3,303	540.8	332.9	563.1	▼

Housing	Period	No	% / Rate	England	Previous	Direction
No of House Sales	Yr to Nov – 24	2,340	-	-	2,757	▼
Average House Price (All Types)	Jan 2025	£132,719	-	£291,397	£122,207	▲
Average Private Rent (All Types)	Feb 2025	£635	-	£1381	£574	▲
Homeless and In Priority Need / Per 1,000	2023/24	371	3.26	2.68	1.66	▲
Prevention and Relief Cases / Per 1,000	2023/24	3,760	29.3	13.4	26.0	▲

5. Financial Outlook for Council

As reported to Council in February 2025 as part of the General Fund Revenue Budget 2024/25 and Medium Term Financial Plan 2025/26 to 2027/28, the Government announced details of the Provisional Local Government Finance Settlement on 18 December with the Final Settlement issued 3 February 2025. This is a one year only settlement. The Government have issued some very limited information setting out their current intentions with regard to funding levels for 2026/27 and beyond, but specific details will need to be confirmed post the Spring 2025 Spending Review.

Whilst there has been an increase in Core Spending Power (CSP) for 2025/26, it is important to note that this is within the context of continued significant inflationary costs arising since 2022/23 which have continued to impact in 2024/25 and the significant loss in funding over the last decade. Any shift in resources arising from a realignment of funding to better reflect needs and resources will be phased in over a number of years as transitionary arrangements will seek to protect those authorities facing funding reductions. Individual Council funding levels from 2026/27 will also be impacted by Government decisions around the total of public spending and for the local government sector. Recent economic performance and indications from the Chancellor suggests it is unlikely that the sector will be receive significant increases in funding through the course of the current Parliament.

Whilst both inflation and interest rates within the UK economy have reduced during 2024 levels have been higher than anticipated throughout the year with anticipated interest rate cuts largely delayed until 2025. There remain significant uncertainties, particularly with regard to the Ukraine and Middle East, and their economic impact, and continued high levels of pay inflation, sustained high energy costs and inflation pressures impacting the cost of living.

Additional uncertainty has also arisen following the Chancellor's Autumn Statement and the announcements regarding employers National Insurance Contributions (ErNIC's). More specifically for Local Authorities, ErNIC's impact on social care budgets is a key risk. The Government are set to off-set an element of the additional costs through a Treasury grant, however additional contingencies have also been included within next year's budget to off-set the full impact of the cost increase which will significantly exceed the grant.

The Chancellor's Autumn Statement and the subsequent Local Government Settlement confirmed that any material changes to the funding mechanism for Relative Needs and Resources and the associated Business Rate Retention mechanism will be outlined within the Spring Spending Review. However, the Chancellor's statement did not provide sufficient information to make a meaningful judgement regarding the current Government's approach to public services beyond March 2026 which in turn, continues to make long term planning for Council's exceedingly difficult. This financial uncertainty is increased due to the ongoing ad hoc funding model of grants across a number of key preventative services, some of which have been committed to in 2025/26 but will look to be reviewed for 2026/27 and beyond.

The financial pressures faced by the Council require continued delivery of agreed savings measures for 2025/26 and continued delivery of 2024/25 schemes which are yet to be achieved. Additional efficiencies needed for future years to balance the budget and protect the Council's financial stability will also be required from 2026/27. Therefore, during 2025/26 the Council will continue to develop its "Best Value Service Framework" aligning comparative cost and performance data which can then be overlayed with relative priorities to identify areas of opportunity for savings. Any future savings plans will be brought for review and approval during 2025/26 for delivery in 2026/27 and beyond.

In Hull the increase in core spending power (CSP) in the next year is 11.9%, as shown below. Despite the increase in estimated funding in 2025/26, the funding received will not cover the significant increase in inflation and demand costs over the last 3 years. It is within this context that the Council must seek to continue to control its costs in order to bring expenditure into line with available resources.

Although the Council can enter 2025/26 in a financially balanced position, it is important to note that the future year projections continue to indicate potentially deficits in the near term. This primarily reflects the Council's rising costs relating to the care of vulnerable adults and children and the

demand pressures within the wider adult and children's care system and the health sector across the City.

The Council cannot seek to address these issues and cost pressures in isolation, and so must continue to work with our partners, and specifically the NHS, to manage demand across the system utilising the resources available within the City. To this end the Government introduced the Better Care Funding initiative in 2015/16 which saw significant resources from the NHS, and local Councils, jointly managed under the auspices of Health and Well Being Boards with a formal pooled budget arrangement with NHS Humber and North Yorkshire Integrated Care Board. The MTFP for 2025/26 reflects the expected level of funding received from the NHS to support services.

The challenge of delivering reductions in the cost base over the medium term, in the face of continuing demand increases, is shared by many other councils, and has been further exacerbated by the inflationary pressures within the economy. These issues have created both service pressure and increased uncertainty undermining both the stability of the Council and hat of the City and its residents.

6. Revenue Outturn 2024/25

The Provisional 2024/25 Outturn was reported to Cabinet on 23 June 25, and, as noted in the table below, the Council, at an overall Council level incurred an underspend of £0.181m against budget which represented an improvement form the position reported at Period 9.

In year and future year projections will be informed by the first round of monitoring and the updated positions will be considered by Cabinet in July.

Reported Revenue Outturn	**Budget**	**Actual**	**Variations**
	£'000	**£'000**	**£'000**
Net position - Services	332,753	342,097	9,344
Net position - Corporate Accounts including Receipts from Council Tax, Business Rates, Revenue Grant	(332,753)	(342,278)	(9,525)
	-	**(181)**	**(181)**

The level of general reserves at 31 March 2025 have remained in line with the previous year and stand at £20.968m.

7. Capital Programme

Expenditure by the Council in 2024/25 was £180m with expenditure aimed at underpinning the Council's objectives and providing for investment in long term assets which will be used to deliver Council services. The largest spending areas for 2024/25 were:

- Investment in Schools (£4m)
- ICT (£5m)
- Carbon Neutral Schemes (£2m)
- Parks and Leisure (£4m)
- Property Maintenance, Improvements and Service Transformation (£11m)
- Works to Housing Stock (£73m)
- Private Housing (£10m)
- Transport Projects (£14m)
- Major Projects and Regeneration (£52m)

8. Housing

Government rent policy allows for annual increases of CPI plus 1% and Government is extending this for a further 10 years beyond 2025/26 and consulting on rent convergence. The Regulator of Social Housing (RSH) publishes an annual Rent Standard which governs rent setting.

In recent years there has been a significant amount of additional legislation & guidance applicable to the housing sector, with the most wide-ranging impact arising from the Social Housing (Regulation) Act 2023 and specifically the role of the RSH.

The RSH is central to the way in which social housing providers are regulated and standards define the outcomes that landlords must deliver for tenants. This includes making strategic and effective choices so that competing priorities are managed effectively and address the specific risks and challenges. The RSH assesses how well landlords deliver the outcomes set in their standards and take action if needed. This means that landlords must be able to demonstrate, with evidence, how they are delivering those outcomes. Landlords also need to be transparent with their tenants and other stakeholders about their performance.

The regulations include the Governance and Financial Viability Standard to ensure landlords are well run and financially viable, the Value for Money Standard to ensure landlords make the best use of their resources and the Rent Standard to ensure rents are set as set out in Government policy. Four new RSH consumer standards came into effect from April 2024 and include the need to start a programme of regular inspections of larger landlords (defined as those with over 1,000 homes) and introduced the first year of mandatory reporting on tenant satisfaction measures.

9. Statement of Accounts

The following pages detail the Statement of Accounts for Kingston upon Hull City Council for the financial year ended 31 March 2025. It shows the financial position of the Council and the cost of the services it provided in the year. A list of the accounts together with a brief explanation of the purposes of each account is shown below:-

(i) *Movement in Reserves*

This statement shows the movement in the year on the different reserves held by the Council, analysed into ‘usable reserves’ (ie. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

(ii) *Comprehensive Income and Expenditure Statement*

This account summarises the resources that have been generated or consumed in providing services and managing the Council during the last year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of non-current assets consumed and the real projected value of retirement benefits earned by employees in the year.

(iii) *The Balance Sheet*

This statement sets out the financial position of the Council at 31 March 2025. It shows a summary of non-current assets held, the current assets employed, the balances and reserves available to the Council and the Council's long term indebtedness.

(iv) *Cash Flow Statement*

This statement summarises the Council's inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

(v) *The Housing Revenue Account Income and Expenditure Statement*

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

(vi) ***The Collection Fund***

All the money collected from council taxpayers and non-domestic ratepayers is paid into this account. The precept, being the money required by the City Council, the Police Authority and the Fire Authority to meet net spending on services provided, is paid out of the account. In 2013/14 the Local Government Finance regime was revised with the introduction of the Retained Business Rates Scheme. The main aim of the scheme is to give Local Authorities greater incentives to grow businesses in the area, as the scheme allows Councils to retain a proportion of the total Business Rates collected. It does, however, also increase the financial risk due to non-collection and the volatility of the NNDR tax base.

10. Housing Revenue Account (HRA)

The Council is required to keep a separate account in respect of Council Housing. The HRA will show major elements of expenditure (maintenance, management and capital financing) and income (rents and charges). The balance at 31 March 2025, on the Housing Revenue Account is £26.748m though most of this is earmarked for future costs arising from the Modern Homes Programme.

11. Balance Sheet

The Council's Balance Sheet demonstrates a sound financial platform for the Council to respond to the financial challenges ahead. The significant movements in the year are detailed below:

	2023/24 £'000	**2024/25 £'000**	**Explanation**
Property, Plant and Equipment	1,608,014	1,838,779	Increase reflects the impact of asset revaluations based partly on updated BCIS All In Tender Price Index rates as published by RICS. Increase in Dwelling valuations based on the five yearly full beacon valuation update and recognising Right-of-Use assets due to the implementation of the IFRS16 accounting standard.
Cash and Cash Equivalents	6,816	17,835	Increase reflects a normal year end cash balance position as opposed to a lower than expected one in the previous year. This continues the approach of maintaining lower cash balances to avoid further long-term borrowing in light of higher interest rates.
Long Term Borrowing	(514,633)	(583,785)	The Council has taken some additional long-term borrowing to support the delivery of the Capital Programme.
Right of Use Lease Liability – Long Term	-	(36,276)	Recognises the value of Right-of-Use assets brought onto the balance sheet, predominantly in relation to vehicle leases, in line with IFRS16 accounting standard requirements.
Unusable Reserves	(623,002)	(767,446)	Impact on the Capital Adjustment Account following the Council Dwelling valuation increases as highlighted in the PPE note above.

12. Group Accounts

The Council's 2024/25 Accounts are very similar in presentation to last years with no significant change in accounting regulations impacting this year.

13. Humber Bridge Debt

In March 2012 the Government agreed to write down £150m of the Humber Bridge debt to enable car tolls to be reduced from £3 to £1.50 and thereby boosting the local economy on the condition that there was a radical reform of the Bridge Board and that the four Humber area authorities took responsibility for any operating deficit that the Bridge Board may incur after fully utilising all of its reserves. Any deficit would be shared equally between all authorities. The Bridge Board's current financial plans give no concern that any call will be made on the authorities in the foreseeable future. The Council will continue to monitor the financial plans and outturn of the Bridge Board.

David Bell, C.P.F.A.
Director of Finance and Transformation (Section 151 Officer)

STATEMENT OF RESPONSIBILITIES

1. The Council's Responsibilities

The City Council is required:

- To make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In Kingston upon Hull City Council, that officer is the Director of Finance and Transformation (Section 151 Officer).

- To manage its affairs to secure the economic, efficient and effective use of resources and safeguard its assets.

- To approve the statement of accounts.

2. The Responsibilities of the Director of Finance and Transformation (Section 151 Officer)

2.1. The Director of Finance and Transformation (Section 151 Officer) is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) and Local Authority (Scotland) Accounts Advisory Committee (LASAAC)

2.2. In preparing this Statement of Accounts, the Director of Finance and Transformation (Section 151 Officer) has:

- Selected suitable accounting policies and applied them consistently;

- Made judgements and estimates that were reasonable and prudent;

- Complied with the Code of Practice on Local Authority Accounting;

- Kept proper accounting records that were up to date;

- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification of the Accounts

I certify that the Statement of Accounts gives a true and fair view of the position of Hull City Council as at 31 March 2025 and the income and expenditure for the year ended 31 March 2025.

David Bell, C.P.F.A.
Director of Finance and Transformation (Section 151 Officer)

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other reserves.

2024/25	Note	General Fund Balance	Earmarked GF Reserves	Earmarked HRA Reserves	Housing Revenue Account	Major Repairs Reserve	Capital Receipt Reserve	Capital Grants Unapplied	**Total Usable Reserves**	Unusable Reserves	**Total Authority Reserves**
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 31 March 2024		20,968	20,186	19,858	3,750	-	38,836	49,442	**153,040**	623,002	**776,042**
Surplus/(deficit) on provision of Services (accounting basis)		(81,328)	-	-	176,224	-	-	-	**94,896**	-	**94,896**
Other Comprehensive Expenditure and Income		-	-	-	-	-	-	-	**-**	34,721	**34,721**
Total Comprehensive Expenditure and Income		(81,328)	-	-	176,224	-	-	-	**94,896**	34,721	**129,617**
Adjustments between accounting basis and funding basis under regulations	9	75,316	-	-	(173,084)	-	1,938	(13,892)	**(109,722)**	109,722	**-**
Net increase / (decrease) before transfers to Earmarked Reserves		(6,012)	-	-	3,140	-	1,938	(13,892)	**(14,826)**	144,443	**129,617**
Transfers to / (from) Earmarked Reserves	10	6,013	(6,013)	3,140	(3,140)	-	-	-	**-**	-	**-**
Increase / (Decrease) in Year		1	(6,013)	3,140	-	-	1,938	(13,892)	**(14,826)**	144,443	**129,617**
Balance at 31 March 2025		**20,969**	**14,173**	**22,998**	**3,750**	**-**	**40,774**	**35,550**	**138,214**	**767,445**	**905,659**

2023/24	Note	General Fund Balance	Earmarked GF Reserves	Earmarked HRA Reserves	Housing Revenue Account	Major Repairs Reserve	Capital Receipt Reserve	Capital Grants Unapplied	**Total Usable Reserves**	Unusable Reserves	**Total Authority Reserves**
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 31 March 2023		20,968	25,678	15,373	3,750	55,789	36,500	17,827	**175,885**	744,388	**920,273**
Surplus/(deficit) on provision of Services (accounting basis)		(30,563)	-	-	(23,383)	-	-	-	**(53,946)**	-	**(53,946)**
Other Comprehensive Expenditure and Income		-	-	-	-	-	-	-	**-**	(90,285)	**(90,285)**
Total Comprehensive Expenditure and Income		(30,563)	-	-	(23,383)	-	-	-	**(53,946)**	(90,285)	**(144,231)**
Adjustments between accounting basis and funding basis under regulations	9	25,071	-	-	27,868	(55,789)	2,336	31,615	**31,101**	(31,101)	**-**
Net increase / (decrease) before transfers to Earmarked Reserves		(5,492)	-	-	4,485	(55,789)	2,336	31,615	**(22,845)**	(121,386)	**(144,231)**
Transfers to / (from) Earmarked Reserves	10	5,492	(5,492)	4,485	(4,485)	-	-	-	**-**	-	**-**
Increase / (Decrease) in Year		-	(5,492)	4,485	-	(55,789)	2,336	31,615	**(22,845)**	(121,386)	**(144,231)**
Balance at 31 March 2024		**20,968**	**20,186**	**19,858**	**3,750**	**-**	**38,836**	**49,442**	**153,040**	**623,002**	**776,042**

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This account summarises the resources that have been generated or consumed in providing services and managing the Council during the last year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of non-current assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

2023/24					2024/25		
Gross Expenditure	Income	Net Expenditure	Note		Gross Expenditure	Income	Net Expenditure
£'000	£'000	£'000			£'000	£'000	£'000
203,000	(146,436)	56,564		Public Health and Adults	228,282	(167,743)	60,539
172,371	(72,402)	99,969		Regeneration	180,036	(80,315)	99,721
180,331	(116,084)	64,247		City Services and Resources	208,662	(119,173)	89,489
128,128	(21,717)	106,411		Children's Services	124,891	(22,141)	102,750
85,602	(86,041)	(439)		School Services	112,932	(107,846)	5,086
128,063	(105,588)	22,475		Local Authority Housing (HRA)	148,959	(311,278)	(162,319)
6,001	(10,614)	(4,613)		Corporate Costs	6,639	(9,841)	(3,202)
903,496	**(558,882)**	**344,614**		**Cost of Services**	**1,010,401**	**(818,337)**	**192,064**
		15,957	11	Other Operating Income and Expenditure			12,358
		23,013	12	Financing and Investment Income and Expenditure			35,443
		(329,638)	13	Taxation and Non-Specific Grant Income			(334,761)
		53,946		**(Surplus) / Deficit on Provision of Services**			**(94,896)**
		(14,956)		(Surplus) / deficit on revaluation of non-current assets			(134,138)
		13,275		Impairment losses on non-current assets charged to the revaluation reserve			105,338
		91,966	43	Remeasurements of the net defined benefit liability			(5,921)
		90,285		**Other Comprehensive Income and Expenditure**			**(34,721)**
		144,231		**TOTAL COMPREHENSIVE INCOME AND EXPENDITURE**			**(129,617)**

THE BALANCE SHEET

The Balance Sheet summarises the financial position of the Council, including the Housing Revenue Account and the Collection Fund. It shows the value of the Council's assets and liabilities at the end of the financial year. It excludes Trust Funds and Pension Fund balances.

At 31 March 2024 £'000		Note	At 31 March 2025 £'000
1,608,014	Property, Plant and Equipment	14	1,838,779
5,793	Heritage Assets	15	5,878
63,284	Investment Property	16	56,966
9,483	Intangible Assets	17	8,441
10	Long Term Investments	18	10
11,401	Long Term Debtors	18	10,870
1,697,985	**Long Term Assets**		**1,920,944**
438	Inventories	19	445
93,793	Short Term Debtors	20	90,021
6,816	Cash and Cash Equivalents	18/21	17,835
-	Other Short Term Assets	18	567
101,047	**Current Assets**		**108,868**
(193,975)	Short Term Borrowing	18	(195,914)
(73,081)	Short Term Creditors	22	(71,951)
(2,354)	Provision for accumulated absences	25f	(1,994)
(1,005)	Capital Grants Receipts in Advance	35	(30)
(6,665)	Lease Liabilities	18/39	(16,058)
(277,080)	**Current Liabilities**		**(285,947)**
(1,355)	Long Term Creditors	18	(1,416)
(6,909)	Provisions	23	(6,532)
(514,633)	Long Term Borrowing	18	(583,785)
(91,726)	Other Long Term Liabilities	43	(82,966)
(791)	Capital Grants Receipts in Advance	35	(372)
(130,496)	Lease Liabilities	18/39	(163,135)
(745,910)	**Long Term Liabilities**		**(838,206)**
776,042	**NET ASSETS**		**905,659**
153,040	Usable Reserves	24	138,213
623,002	Unusable Reserves	25	767,446
776,042	**TOTAL RESERVES**		**905,659**

CASH FLOW STATEMENT

This statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

2023/24 £'000		Note	2024/25 £'000
(53,946)	Net surplus or (deficit) on the provision of services		94,896
107,574	Adjustment to surplus or deficit on the provision of services for non-cash movements	26	(5,753)
(125,990)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	26	(61,139)
(72,362)	**Net Cash flows from Operating Activities**		28,004
(10,506)	Net cash flows from Investing Activities	27	(69,061)
43,071	Net cash flows from Financing Activities	28	52,076
(39,797)	Net increase or (decrease) in cash and cash equivalents		11,019
46,613	Cash and cash equivalents at the beginning of the reporting period		6,816
6,816	**Cash and cash equivalents at the end of the reporting period**	21	**17,835**

NOTES TO THE MAIN FINANCIAL STATEMENTS

1. Accounting Policies

i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the Local Government Act 2003 primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act.

The accounting convention adopted in the statement of accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Going Concern - The accounts have been prepared on a going concern basis, that is that the accounts are prepared on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. In particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

The majority of figures in this document have been rounded to the nearest £1,000. This means that there may be very minor inconsistencies between tables and notes, due to rounding adjustments.

ii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. There is a de-minimus for these adjustments of £10k. Examples include;

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

iii. Acquisitions and Discontinued Operations

Acquired Operations

Acquired operations are the operations that the Council has acquired during the accounting period or the transfer of services acquired as a consequence of legislation. The Council did not acquire any operations during the financial reporting period.

Discontinued Operations

To qualify as discontinued operations activities must cease completely and, where applicable, these are presented separately on the face of the Comprehensive Income and Expenditure Statement. No operations were discontinued during the financial reporting period.

iv. Cash & Cash Equivalents

Cash includes all bank credit balances and overdrafts held by the Council as part of its normal cash management, including all deposit accounts accessible without notice.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash equivalents include investments with a fixed maturity of less than three months from the date of acquisition and available for sale assets such as cash placed in money market funds.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

v. Exceptional Items

Where items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

vi. Prior-period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in Accounting Policies are only made when required by proper accounting practices or when the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

There has been one significant change in accounting policy during 2024/25, the implementation of IFRS16 Leases. This had a mandatory implementation date of 1st April 2024. This is detailed further at point xx and in Note 38.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

vii. Charges to Revenue for Non-Current Assets

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the real cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which they can be written off
- amortisation of intangible assets attributable to the service

The Council is not required to raise Council Tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement (equal to either an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by

revenue provision in the General Fund Balance in the Statement of Movement in Reserves, by way of an adjusting transaction with the Capital Adjustment Account for the difference between the two.

viii. Council Tax and Non-Domestic Rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (ie the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR.

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for bad
debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

ix. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (eg cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, eg time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits

and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Benefits Payable after Employment

Employees of the Council are members of three separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education.
- The NHS Pension Scheme, administered by NHS Pensions.
- The Local Government Pensions Scheme, administered by the East Riding of Yorkshire Council.

All schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Council.

However, the arrangements for the teachers' and NHS schemes mean that liabilities for these benefits cannot be identified to the Council. The schemes are therefore accounted for as if it were a defined contributions scheme – no liability for future payments of benefits is recognised in the Balance Sheet and the service revenue accounts are charged with the employer's contributions payable to teachers' and NHS pensions in the year.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the East Riding Pension Scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees. The value of the liabilities is heavily dependent on the assumptions underpinning the calculations. Assumptions used in calculating the liabilities are as follows:
  - Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on a basket of high quality corporate bonds [Iboxx Sterling Corporate AA over 15 years Index]
  - The inflation and pension increase rate is assumed to be equivalent to breakeven inflation
  - Salary growth is assumed to continue in line with real salary increases as reflected in the most recent formal funding valuation
  - The expected return on assets is derived from a proprietary asset model, which has parameters that are calibrated to market conditions on a monthly basis
  - Pensioner mortality is based on the 92-series of mortality tables of the Continuous Mortality Investigation Bureau (CMIB) of experience of life insurance company pensioners, adjusted to tailor them to Local Government Pension Scheme mortality patterns
  - Commutation assumptions are that Local Government Pension Scheme members exchange 30% of their pension for additional cash at retirement, which is based on data gathered since this option became available
  - Other demographic assumptions, e.g. withdrawal assumption, ill-health early retirements, are derived from specific past experience of Local Government Pension Scheme funds.

- The assets of the East Riding Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price
  - property – market value
- The change in the net pensions liability is analysed into the following components:
  - Service cost comprising:
    - current service cost – the increase in liabilities as result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked
    - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Corporate Costs
    - net interest on the net defined benefit liability (asset), i.e. Net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments
  - Re-measurements comprising:
    - The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure
    - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pension Reserve as Other Comprehensive Income and Expenditure
    - Contributions paid to the East Riding Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the Pension Fund in the year or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement of Reserves Statement this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable to the fund but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Pooled Pension Fund

Kingston upon Hull City Council under a pooling arrangement guarantees and in turn underwrites the pension liabilities of Hull Culture and Leisure Limited and Kingstown Works Limited in respect of

both company's participation in the East Riding Pension Fund. Kingston upon Hull City Council indemnifies the East Riding Pension Fund and the Administering Authority (East Riding of Yorkshire Council) if the companies are unable to meet such liabilities.

As these formal guarantees are in place Kinston upon Hull City Council have therefore consolidated all pension assets and liabilities into it's sole accounting statements and accompanying disclosure notes, as opposed to purely consolidating into the Council's Group Accounts in previous years.

The revised accounting treatment does not change the basis of membership in the scheme for the companies but merely simplifies the presentation and removes any impact on fund balances from the individual company accounts and improves transparency of the trading position of the Companies. Note 25 d (Pension Reserve) and Note 43 (Defined Benefit Pension Schemes) refer.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers and NHS staff) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

x. Events after the Balance Sheet Date

Where an event occurs after the Balance Sheet reporting period, both favourable and unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.

- Those that are indicative of conditions that arose after the reporting period - the Statement of Accounts is not adjusted to reflect such events, but where such a category of event would have material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

xi. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss (FVPL), and
- Fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (ie where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

If the Council makes a loan to a voluntary organisation at less than market rates, this is known as a soft loan. When soft loans are made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- Instruments with quoted market prices – the market price
- Other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

xii. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments, and
- The Grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution must be consumed by the recipient as specified.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as receipts in advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (ie revenue grants and contributions which are attributable to a specific service) or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants which are not attributable to specific services) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

xiii. Community Infrastructure Levy

The Council has elected to charge a community infrastructure levy (CIL). The levy will be charged on new builds with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund infrastructure projects to support development of the area,

The CIL is received without outstanding conditions, it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and conditions. CIL charges will be largely used to fund capital expenditure, however, a proportion of the charges may be used to fund revenue expenditure.

xiv. Heritage Assets

The Council's Heritage assets portfolio is comprised of assets held in the Council's museums, galleries and historic buildings and equipment held principally for their contribution to knowledge or culture, including monuments and statues. Heritage assets are assets with historical, artistic, scientific, technological, geographical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment.

However, some of the measurement rules are relaxed in relation to specific heritage assets as described below. The accounting policies in relation to heritage assets which include elements of intangible heritage asset are included in the details below.

- **Museum exhibits**

  The collection of museum exhibits includes paintings, vehicles, furniture, silver, and objects relating to the archaeology and history of Hull and the local area. No reliable market value exists for such items. Therefore, the assets are carried at historical cost (less any accumulated depreciation, amortisation and impairment losses). The assets are deemed to have indeterminate lives and a high residual value. Therefore, the Council does not consider it appropriate to charge depreciation.
  The collection is relatively static and acquisitions and donations are rare, but the Council continues to collect. Where they do occur, acquisitions are initially recognised at cost and donations are recognised at valuation ascertained by the museum's curators in accordance with the Council's policy on valuation of assets.

- **Art Collection**

  The art collection includes paintings reported in the Balance Sheet at historical cost. Items in the collection are not valued by an external valuer. The assets within the art collection are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.
  Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by the external valuers and with reference to appropriate commercial markets for the paintings using the most relevant and recent information from sales at auctions.

- **Monuments and statues**

  Monuments and statues are reported in the Balance Sheet at historical cost. The assets are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

- **Historic buildings and equipment held principally for their contribution to knowledge and culture**

  Historic buildings and equipment are reported in the Balance Sheet at historical cost.
  Historic buildings are deemed to have determinate lives and low residual values; hence the Council charges depreciation in accordance with the Council's accounting policies on property, plant and equipment.

Heritage Assets – General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment see Accounting Policy note xxii. There is a strong presumption against disposal of heritage assets. Disposal is controlled by the Acquisitions and

Disposal Policy, which outlines national museum guidelines, and conforms to national accreditation standards. The sale of objects that have been through the disposal policy process can only be undertaken with approval from the Arts Council, and any revenue generated from such a sale must go back into the care of the museum collections.
The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (see Accounting Policy notes xxvi and xxii).

xv. Intangible Assets

Expenditure on assets that do not have physical substance but are identifiable and controlled by the Council (e.g. software licences) is capitalised when it is expected that future economic benefits will flow from the intangible asset.

The Council does not have any intangible assets that meet the strict criteria for internally generated intangible assets to be recognised.

Intangible assets are measured initially at cost. A de minimis level for recognition has been set at £10,000. Assets are only re-valued where the fair value of the assets can be determined by reference to an active market. In practice, no intangible assets held by the Council meet this criterion and they are therefore carried at amortised cost.

The balance of the intangible asset is amortised over its useful life to the relevant service in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service lines in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal of an intangible asset is posted to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Gains and losses are reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xvi. Interests in Companies and Other Entities

If the Council has material interests in companies and other entities that have the nature of subsidiaries, associates or joint ventures, it is required to prepare group accounts. The Council has material interests in companies, specifically Kingstown Works Ltd and Hull Culture and Leisure Ltd, and has therefore completed Group Accounts.

In the Council's own single-entity accounts, the interests in companies and other entities are recorded as financial assets, i.e. at cost, less any provision for losses.

xvii. Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

Long Term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

xviii. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. (See xxviii Fair Value Measurement). A de minimis level for recognition has been set at £10,000.

Properties are not depreciated but are re-valued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account (for any sale proceeds greater than £10,000) and the Capital Receipts Reserve.

xix. Joint Arrangements

Joint Arrangements are arrangements by which two or more parties have joint control bound by contract. The Council does not recognise on its balance sheet any assets or liabilities in regards to joint arrangements. A Joint Arrangement can be classed as

- A Joint Venture
- A Joint Operation

Joint Venture

A Joint Venture is an arrangement under which two or more parties have contractually agreed to share control, such that decisions about the activities of the arrangement are given unanimous consent from all parties.

Joint Operation

A Joint Operation is an arrangement by which the parties that have joint control of the arrangement have the rights to the assets and obligations for the liabilities relating to the arrangement. All parties have joint control with decisions of the activities of the arrangement requiring unanimous consent from all parties. ***Leases***

With effect from 1 April 2024 IFRS 16 Leases was adopted. The Opening Balance sheet figures as at 1 April 2024 have been adjusted to reflect implementation of IFRS 16, the Liabilities increased by £39.851m and £49.391m of Right of Use Asset added, The net book value of Right of Use Assets as at 31 March 2025 is £61.640m detailed in note 14 and note 16.

The Council as a Lessee

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset for a period of time in exchange for consideration.

Initial Measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The Council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Council's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments

- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Council is reasonably certain to exercise
- lease payments in an optional renewal period if the Council is reasonably certain to exercise an extension period
- penalties for early termination of a lease, unless the Council is reasonably certain not to terminate early.

The right-of-use asset is measured at cost per the Code on initial recognition, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Subsequent Measurement

The right-of-use asset is measured at current value, the Council considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of -use assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group’s estimate of the amount expected to be payable under a residual value guarantee
- the Council changes its assessment of whether it will exercise a purchase, extension or termination option
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items

- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Council is reasonably certain to exercise and any termination options that the Council is reasonably certain not to exercise)

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

The Council acting as a Lessor

Finance Leases:

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. Where the Council acts as a lessor of an asset under a finance lease, a long term debtor is established with the amount receivable equal to the net investment in the lease. The lease payment receivable is treated as a capital receipt for the repayment of principal, reducing the debtor outstanding and the finance income is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, calculated to produce a constant periodic rate of return on the net investment.

Rentals payable are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease debtor (together with any premiums received), and

- Finance charge (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement of Reserves Statement. When future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Credits are made on a straight-line basis over the life of the lease. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

xx. Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

xxi. Property, Plant and Equipment

Assets that have physical substance and are held for use in the provision of services or for administrative purposes and are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition: expenditure on the acquisition, creation or enhancement of non-current assets is capitalised on an accruals basis, provided that it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that secures but does not extend the previously assessed standards of performance of asset (e.g. repairs and maintenance) is charged to revenue as it is incurred.

Measurement: assets are initially measured at cost subject to a de minimis level of £10,000, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it was located

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure assets, community assets and assets under construction – depreciated historical cost
- dwellings – determined using the basis of existing use value for social housing (EUV-SH)
- council offices – current value, determined as the amount that would be paid for the asset in existing use (existing use value – EUV)
- school buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective (see xxviii Fair Value Measurement)
- all other assets – current value, determined as the amount that would be paid for the asset in existing use (existing use value – EUV)

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where there are non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to a service revenue account.

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)

- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment: assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.
Where impairment losses are recognised, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)

- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

Where an impairment loss is reversed, the reverse is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation: depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets), assets that are not yet available for use (i.e. assets under construction) and assets held for sale.

Depreciation is charged for a full year, based on the final asset balances reflected as at the end of the previous financial year.

Depreciation is calculated on the following basis:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer

- vehicles, plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet as advised by a suitably qualified officer

- infrastructure – reducing balance over 20 years

Where confirmation is provided at the end of the reporting period (i.e. 31 March 2025) that schools have converted to academy status within the first month in the following year, depreciation is

accelerated to account for the shorter economic life of the asset while under control of the Local Authority.

Component Accounting: material assets are recognised as a series of components for depreciation purposes when the component is of significant cost compared to the total cost of the item and has a materially different useful life to the main asset. The number of components is limited to five components per property. Enhancement expenditure requires the component to be de-recognised where replaced or refurbished, and the new component reflected in the carrying amount, even where parts of an asset have not previously been recognised as a separate component. Non-current assets (excluding Council housing stock) with a property value of £5 million or more is considered to be material.

Council housing stock is grouped together into beacons. A beacon is a collection of properties of the same type i.e. flat, bungalow, two bedroom house, etc. Component accounting will apply to each beacon in full.

Gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale: when it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any losses previously recognised in the Surplus or Deficit on provision of services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the requirements to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at lower of their carrying amount before they were classified as held for sale (adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale) and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet (whether property, plant and equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals are payable to the Government. The balance of receipts is required to be credited to the Usable Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the General Fund Reserve in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund in the Movement of Reserves Statement.

xxii. Private Finance Initiatives

Private Finance Initiative (PFI) arrangements are accounted for in accordance with International Financial Reporting Interpretations Committee 12 (IFRIC 12) Service Concession Arrangements. This involves a private sector entity (the operator) constructing or enhancing infrastructure used in

the provision of a public service, and operating and maintaining that infrastructure for a specified period of time.

The Council's PFI schemes have been accounted for in accordance with IFRIC 12, with the property, plant and equipment constructed and enhanced as part of the arrangement recognised on the Council's Balance Sheet because the contractual service arrangement conveys the right to control the use of the infrastructure. The property, plant and equipment recognised under this arrangement are accounted for under the accounting policies applied to all other property, plant and equipment of that type.

A corresponding liability (equal to the initial fair value of assets created/enhanced under the arrangement) is recognised for the requirement to pay the PFI limited companies for the construction work they undertook. The unitary payments made to the contractors are analysed into five elements:

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement

- finance cost – an interest charge of an agreed percentage on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)

- lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out

PFI contracts are considered with the new requirements implemented from IFRS 16 Leases. Where unitary charge payments are subject to indexation, the carrying value of the liability is re-measured in accordance with IFRS 16. No contingent rentals occur within this scheme following these changes.

Where PFI schools are transferred to academy status during the year, the school building is disposed of as at 31 March with the corresponding liability remaining on balance sheet.

xxiii. Provisions, Contingent Liabilities and Contingent Assets

Provisions are made where an event has taken place that gives the Council an obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes more likely than not that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service revenue account.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), this is only recognised as income in the relevant service revenue account if it is virtually certain that reimbursement will be received if the obligation is settled.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation, the existence of which will only be confirmed by the occurrence of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances

where a provision would otherwise be made but it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset, the existence of which will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

xxiv. Reserves

The Council sets aside specific amounts as earmarked reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services, in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

xxv. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of non-current assets has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer to the Capital Adjustment Account then reverses out the amounts charged to the General Fund Balance in the Movement in Reserves Statement so there is no impact on the level of Council Tax.

xxvi. VAT

Income and expenditure excludes any amounts related to Value Added Tax (VAT), as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from it.

xxvii. Fair Value Measurement

The Council has categories of assets and liabilities which are measured at fair value at the end of each reporting period. These include non-financial assets such as surplus assets, investment properties and assets held for sale plus some financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value measurements are categorised in their entirety based on the lowest level input that is significant to the entire measurement. The level into which a fair value measurement is categorised in its entirety is determined with reference to a hierarchy that reflects the significance of the observable market inputs in calculating those fair values. The three levels of the fair value are:

- Level 1 – Valuation using quoted market prices

Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price reflects actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

- Level 2 – Valuation technique using observable inputs

  Assets and liabilities classified as Level 2 are valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices).

- Level 3 – Valuation technique using significant unobservable inputs

  Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price. An input is significant if it is shown to contribute more that 10% to the valuation of an asset or liability. Unobservable input levels are generally determined based on observable inputs of a similar nature, historical observations or other analytical techniques.

xxviii. Borrowing Costs

The Council shall account for borrowing costs in accordance with IAS 23 which requires borrowing costs in respect of qualifying assets to be capitalised. Borrowing costs are interest and other costs that the Council incurs in connection with the borrowing of funds. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset.

The Council will begin capitalising borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalisation is the date when the Council first meets all of the following conditions:

- It incurs expenditures for the asset
- It incurs borrowing costs, and
- It undertakes activities that are necessary to prepare the asset for its intended use of sale

The Council will cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

xxix. Schools

The Code confirms that the balances of control for local authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements. Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements of the Council as if they were the transactions, cash flows and balances of the Council.

2. Accounting Standards issued but not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2024/25 Code.

The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years.

Accounting changes that are introduced by the 2025/26 code are:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023
- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4

The changes are not expected to have a material impact on the Council's single entity statements or group statements.

3. Critical Judgements in applying Accounting Policies

New contracts and property arrangements are reviewed each year to assess IFRS 16 implications. For all its contractual arrangements the Council must assess and decide whether the contract contains lease under the definition of IFRS 16. These judgements are made on the professional opinion of the Council's valuers, accountants and procuring officers using assessments based on criteria set out in IFRS16 Leases. The relevant accounting policy is applied based on the outcomes of the assessments. Any Leases with a rolling contract are assumed to have a term of 5 years. Details are given in the respective notes to the account.

The Council completed an exercise to establish whether the production of Group Accounts is required. (See Accounting Policy xvi – Interest in Companies and Other Entities and Note 36 – Related Parties). Balances and transactions for companies controlled or influenced by the Council were assessed and judged to be material therefore Group Accounts have been completed. Group Accounts include Hull City Council, Hull Culture and Leisure Limited and Kingstown Works Limited.

There is a requirement for the Council to exercise judgement about which school types should be included in the balance sheet, given there are different degrees of autonomy with the school types. By virtue of legal ownership or the control exerted over school governing bodies, the Council recognises on its balance sheet at current value, interests in all schools where ownership is vested either in the Council or a school governing body. There are 4 maintained schools held on the balance sheet as at 31st March 2025.

4. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. The main areas where this has arisen are in the valuation of intangible and tangible non-current assets; including estimated economic lives, component accounting and depreciation (notes 14, 15, 16, 17 and 39), debtors (note 20), creditors (note 22) and provisions (note 23).

Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

In preparing these financial statements, significant judgements and estimates have been used.

The items in the Council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings (excluding Council dwellings) would increase by £0.618m for every year that useful lives had to be reduced. The gross carrying amount for PPE as at 31 March 2025 is £1.839m
Property, Plant and Equipment (with the exception of Infrastructure, Community Assets, Assets under Construction and small value items of Vehicles land and equipment)	The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value has a full revaluation at least every five years. Assets are tested annually for indicators of impairment. Judgements are required to make an assessment as to whether there is an indication of impairment. Advice has been provided by our in-house valuers.	If the actual results differ from the assumptions the value of PPE will be over or under stated. This would be adjusted wen the assets were next valued. Should all assets be revalued, a 1% change in asset valuation (not including infrastructure) would equate to £18.0m change in gross carrying Value.
Pension Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	The effects on the net pension's liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of £20m. Further sensitive changes are reported in Note 43 Defined Benefit Pension Schemes under 'Basis for Estimating Assets and Liabilities'. The pension Liability as at 31st March 2025 is £82.5m

5. Exceptional and Material Items of Income and Expense

No items of income and expense considered exceptional and material were included in the Comprehensive Income and Expenditure Statement.

6. Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Director of Finance and Transformation (Section 151 Officer) on 22nd July, 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st March, 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. The Council has not identified any post Balance Sheet events as at 22nd July 2025.

7. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates / departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Restated 2023/24				2024/25		
Net Expenditure Chargeable to the General Fund and HRA Balances	**Adjustments between the Funding and Accounting Basis**	**Net Expenditure in the Comprehensive Income & Expenditure**		**Net Expenditure Chargeable to the General Fund and HRA Balances**	**Adjustments between the Funding and Accounting Basis**	**Net Expenditure in the Comprehensive Income & Expenditure**
£'000	**£'000**	**£'000**		**£'000**	**£'000**	**£'000**
52,912	3,652	56,564	Public Health and Adults	59,828	711	60,539
50,942	49,027	99,969	Regeneration	41,995	57,726	99,721
41,269	22,978	64,247	City Services and Resources	46,865	42,624	89,489
85,371	21,040	106,411	Children's Services	91,274	11,476	102,750
608	(1,047)	(439)	School Services	1,154	3,932	5,086
4,485	17,990	22,475	Local Authority Housing (HRA)	(8,309)	(154,010)	(162,319)
5,178	(9,791)	(4,613)	Corporate Costs	(232)	(2,970)	(3,202)
240,765	**103,849**	**344,614**	**Cost of Services**	**232,575**	**(40,511)**	**192,064**
(239,758)	(50,910)	(290,668)	Other Income and Expenditure	(227,794)	(59,166)	(286,960)
1,007	**52,939**	**53,946**	**(Surplus) / Deficit**	**4,781**	**(99,677)**	**(94,896)**
65,769			Opening General Fund and HRA Balance	64,762		
(1,007)			Less/plus Surplus or (Deficit) on General Fund and HRA Balance in Year	(4,781)		
64,762			**Closing General Fund and HRA Balance at 31 March**	**59,981**		

The adjustments between the funding and accounting basis can be further analysed between:

- Adjustments for Capital purposes
- The net change in relation to Pensions adjustments
- Other differences

Adjustments for Capital Purposes

- Net Cost of Services – this column adds in depreciation and impairment and revaluation gains and losses in the services line.
- Other Income and Expenditure – adjusts for capital disposals, adjustments to taxation and non-specific grant income.

Net Change for Pension Adjustments

- Net Cost of Services – this represents the removal of the employer pension contributions made by the Council as allowed by statute and replacement with current service costs and past service costs.
- Other Income and Expenditure – the net interest on the defined benefit liability is charged to the CIES.

Other differences

- Net Cost of Services – this includes adjustments made to and from Reserves plus accrued compensated absences earned but not taken in the year.
- Other Income and Expenditure – this includes adjustments made to and from Reserves plus other adjustments to Revenue such as Council Tax and PFI interest costs.

A. Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis 2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	**Adjustments for Capital Purposes**	**Net Change for the Pensions Adjustments**	**Other Differences**	**Total Adjustments**
	£'000	**£'000**	**£'000**	**£'000**
Public Health and Adults	585	126	-	711
Regeneration	52,663	421	4,642	57,726
City Services and Resources	42,329	295	-	42,624
Children's Services	11,022	454	-	11,476
School Services	(4,602)	-	8,534	3,932
Local Authority Housing (HRA)	(154,560)	550	-	(154,010)
Corporate Costs	6,986	(9,841)	(115)	(2,970)
Cost of Services	**(45,577)**	**(7,995)**	**13,061**	**(40,511)**
Other income and expenditure from the Expenditure and Funding Analysis	(68,801)	2,625	7,010	(59,166)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**(114,378)**	**(5,370)**	**20,071**	**(99,677)**

Adjustments between Funding and Accounting Basis 2023/24 - Restated

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Public Health and Adults	3,216	436	-	3,652
Regeneration	47,310	1,717	-	49,027
City Services and Resources	21,619	1,359	-	22,978
Children's Services	18,970	2,070	-	21,040
School Services	(1,348)	-	301	(1,047)
Local Authority Housing (HRA)	17,372	618	-	17,990
Corporate Costs	-	(10,113)	322	(9,791)
Cost of Services	**107,139**	**(3,913)**	**623**	**103,849**
Other income and expenditure from the Expenditure and Funding Analysis	(52,934)	(686)	2,710	(50,910)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**54,205**	**(4,599)**	**3,333**	**52,939**

8. Expenditure and Income Analysed by Nature

The Council's expenditure and income is analysed as follows:

Restated 2023/24	Expenditure / Income	2024/25
£'000		£'000
	Expenditure	
210,133	Employee benefits expenses	227,054
523,590	Other services expenses	668,709
96,490	Depreciation, amortisation, impairment	61,552
29,078	Interest payments	33,644
443	Precepts and levies	474
-	Payments to Housing Capital Receipts Pool	-
14,666	(Gain) / loss on the disposal of assets	(2,665)
874,400	**Total Expenditure**	**988,768**
	Income	
(262,529)	Fees, charges and other service income	(279,020)
-	Council Dwelling Revaluation Increases	(196,650)
(4,038)	Interest and investment income	(3,824)
(176,523)	Income from council tax, non-domestic rates, district rate income	(186,300)
(377,364)	Grants and contributions	(417,870)
(820,454)	**Total Income**	**(1,083,664)**
53,946	**Surplus or Deficit on the Provision of Services**	**(94,896)**

Segmental Income

Fees, charges and other service income analysed by service area:

2023/24		2024/25
£'000		£'000
(101,619)	Public Health and Adults	(116,910)
(20,300)	Regeneration	(22,241)
(16,705)	City Services and Resources	(16,135)
(2,517)	Children's Services	(2,898)
(12,815)	School Services	(8,168)
(107,750)	Loval Authority Housing	(111,540)
(823)	Corporate Costs	(1,128)
(262,529)		**(279,020)**

9. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory and voluntary provisions as being available to the Council to meet future capital and revenue expenditure.

2024/25	Usable Reserves							
	General Fund Balance	Earmarked GF Reserves	Earmarked HRA Reserves	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grant Unapplied Reserve	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account								
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement								
Charges for depreciation and impairment of non-current assets	42,133	-	-	86,439	-	-	-	(128,572)
Revaluation losses on Property, Plant and Equipment	60,871	-	-	(196,678)	-	-	-	135,807
Movements in the fair value of investment properties	2,308	-	-	49	-	-	-	(2,357)
Amortisation of intangible assets	3,303	-	-	-	-	-	-	(3,303)
Capital grants and contributions applied	(32,135)	-	-	(19,955)	-	-	-	52,090
Income in relation to donated assets	-	-	-	-	-	-	-	-
Revenue expenditure funded from capital under statute	35,555	-	-	-	-	-	-	(35,555)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	286	-	-	6,451	-	-	-	(6,737)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement								
Statutory provision for the financing of capital investment	(11,574)	-	-	(8,016)	-	-	-	19,590
Capital expenditure charged against the General fund and HRA balances	(326)	-	-	-	-	-	-	326
HRA depreciation on Non-Dwellings adjustment	-	-	-	-	-	-	-	-
Adjustments primarily involving Capital Grants Unapplied Account								
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement (where no condition exists)	(23,892)	-	-	-	-	-	23,892	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	-	-	(37,784)	37,784
Transfers in respect of Community Infrastructure Levy Receipts								
Adjustments primarily involving Capital Receipts Reserve								
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(3,785)	-	-	(5,537)	-	9,322	-	-
Use of the capital receipts reserve to finance new capital expenditure	-	-	-	-	-	(7,384)	-	7,384
Contribution from the capital receipts reserve towards administrative costs of non-current asset disposals	-	-	-	-	-	-	-	-
Contribution from the capital receipts reserve to finance the amount payable to the Government capital receipts pool	-	-	-	-	-	-	-	-
Transfer from deferred capital receipts reserve upon receipt of cash	-	-	-	-	-	-	-	-
Totals carried forward	72,744	-	-	(137,247)	-	1,938	(13,892)	76,457

2024/25	Usable Reserves							
	General Fund Balance	Earmarked GF Reserves	Earmarked HRA Reserves	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grant Unapplied Reserve	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Totals brought forward	72,744	-	-	(137,247)	-	1,938	(13,892)	76,457
Adjustments primarily involving the Deferred Capital Receipts Reserve								
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-	-	-	-	-
Adjustments primarily involving the Major Repairs Reserve								
Credit MRR with sum equal to HRA Depreciation	-	-	-	(14,384)	14,384	-	-	-
Additional voluntary credit transfer to the major repairs reserve	-	-	-	(22,003)	22,003	-	-	-
Use of Major Repairs Reserve to repay debt				-	-			
Use of Major Repairs Reserve to finance new capital expenditure	-	-	-	-	(36,387)	-	-	36,387
Adjustments primarily involving the Financial Instruments Adjustment Account								
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(122)	-	-	-	-	-	-	122
Adjustments primarily involving the Pension Reserve								
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	29,762	-	-	3,133	-	-	-	(32,895)
Employers pensions contributions and direct payments to pensioners payable in the year	(33,718)	-	-	(2,583)	-	-	-	36,301
Adjustments primarily involving the Collection Fund Adjustment Account								
Amount by which Council Tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax and non-domestic rate income calculated for the year in accordance with statutory requirements	2,065	-	-	-	-	-	-	(2,065)
Adjustments primarily involving the Accumulated Absences Account								-
Amount by which officers remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements	(360)	-	-	-	-	-	-	360
Employee benefits recognised	-	-	-	-	-	-	-	-
Adjustments primarily involving the Dedicated Schools Grant Adjustment Account								
Transfer of deficit in respect on schools budget	4,945	-	-	-	-	-	-	(4,945)
Total Adjustments	**75,316**	**-**	**-**	**(173,084)**	**-**	**1,938**	**(13,892)**	**109,722**

2023/24	Usable Reserves							
	General Fund Balance	Earmarked GF Reserves	Earmarked HRA Reserves	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grant Unapplied Reserve	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account								
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement								
Charges for depreciation and impairment of non-current assets	30,083	-	-	63,164	-	-	-	(93,247)
Revaluation losses on Property, Plant and Equipment	43,206	-	-	7,866	-	-	-	(51,072)
Movements in the fair value of investment properties	(303)	-	-	58	-	-	-	245
Amortisation of intangible assets	3,243	-	-	-	-	-	-	(3,243)
Capital grants and contributions applied	(30,463)	-	-	(2,778)	-	-	-	33,241
Income in relation to donated assets	-	-	-	-	-	-	-	-
Revenue expenditure funded from capital under statute	21,546	-	-	-	-	-	-	(21,546)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	18,517	-	-	5,681	-	-	-	(24,198)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement								
Statutory provision for the financing of capital investment	(11,783)	-	-	(49,191)	-	-	-	60,974
Capital expenditure charged against the General fund and HRA balances	(1,095)	-	-	-	-	-	-	1,095
HRA depreciation on Non-Dwellings adjustment	-	-	-	-	-	-	-	-
Adjustments primarily involving Capital Grants Unapplied Account								
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement (where no condition exists)	(43,030)	-	-	-	-	-	43,030	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	-	-	(11,415)	11,415
Transfers in respect of Community Infrastructure Levy Receipts								
Adjustments primarily involving Capital Receipts Reserve								
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(2,846)	-	-	(6,686)	-	9,532	-	-
Use of the capital receipts reserve to finance new capital expenditure	-	-	-	-	-	(7,196)	-	7,196
Contribution from the capital receipts reserve towards administrative costs of non-current asset disposals	-	-	-	-	-	-	-	-
Contribution from the capital receipts reserve to finance the amount payable to the Government capital receipts pool	-	-	-	-	-	-	-	-
Transfer from deferred capital receipts reserve upon receipt of cash	-	-	-	-	-	-	-	-
Totals carried forward	27,075	-	-	18,114	-	2,336	31,615	(79,140)

2023/24	Usable Reserves							
	General Fund Balance	Earmarked GF Reserves	Earmarked HRA Reserves	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grant Unapplied Reserve	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Totals brought forward	27,075	-	-	18,114	-	2,336	31,615	(79,140)
Adjustments primarily involving the Deferred Capital Receipts Reserve								
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-	-	-	-	-
Adjustments primarily involving the Major Repairs Reserve								
Credit MRR with sum equal to HRA Depreciation	-	-	-	(11,101)	11,101	-	-	-
Additional voluntary credit transfer to the major repairs reserve	-	-	-	(20,881)	20,881	-	-	-
Use of Major Repairs Reserve to repay debt				41,119	(41,119)			
Use of Major Repairs Reserve to finance new capital expenditure	-	-	-	-	(46,652)	-	-	46,652
Adjustments primarily involving the Financial Instruments Adjustment Account								
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(122)	-	-	-	-	-	-	122
Adjustments primarily involving the Pension Reserve								
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	26,353	-	-	2,953	-	-	-	(29,306)
Employers pensions contributions and direct payments to pensioners payable in the year	(31,568)	-	-	(2,336)	-	-	-	33,904
Adjustments primarily involving the Collection Fund Adjustment Account								
Amount by which Council Tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax and non-domestic rate income calculated for the year in accordance with statutory requirements	2,711	-	-	-	-	-	-	(2,711)
Adjustments primarily involving the Accumulated Absences Account								-
Amount by which officers remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements	622	-	-	-	-	-	-	(622)
Employee benefits recognised	-	-	-	-	-	-	-	-
Adjustments primarily involving the Dedicated Schools Grant Adjustment Account								
Transfer of deficit in respect on schools budget	-	-	-	-	-	-	-	-
Total Adjustments	**25,071**	**-**	**-**	**27,868**	**(55,789)**	**2,336**	**31,615**	**(31,101)**

10. Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2024/25.

	Balance at 31 March 2023	Transfers Out 2023/24	Transfers In 2023/24	Balance at 31 March 2024	Transfers Out 2024/25	Transfers In 2024/25	Balance at 31 March 2025
Earmarked Reserves	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
General Fund:							
Business Rate Reserve	3,851	-	-	3,851	(2,597)	-	1,254
Insurance Reserve	2,086	(429)	-	1,657	(1,031)	-	626
Litigation Reserve	1,849	(150)	-	1,699	(150)	-	1,549
Flood Defence	331	(250)	250	331	(250)	250	331
Miscellaneous:							
Regeneration Reserve	40	-	-	40	(40)	-	-
Other	364	554	974	1,892	-	-	1,892
Capital Funding:							
Capital Financing Reserve	6,997	(1,500)	-	5,497	-	-	5,497
Schools Reserves:							
Schools Financial Reserve	1,680	(860)	-	820	-	532	1,352
DSG Reserve	1,352	-	-	1,352	(1,352)	-	-
Total Earmarked Reserves	**18,550**	**(2,635)**	**1,224**	**17,139**	**(5,420)**	**782**	**12,501**
Carry Forwards to Support Future Budgets:							
General Fund:							
Reorganisation Reserve	34	(34)	-	-	-	-	-
Corporate Contingency	-	-	-	-	-	-	-
Leaders Contingency	83	(25)	12	70	(24)	6	52
Brexit	30	(30)	-	-	-	-	-
Tax Income Guarantee Scheme	-	-	-	-	-	-	-
GF Balance	160	(505)	596	251	(185)	144	210
Service Carry Forwards	3,784	(3,784)	2,681	2,681	(2,684)	1,348	1,345
Apprentice Levy	24	-	21	45	-	20	65
Cash Postings	-	-	-	-	-	-	-
Total Carry Forwards	**4,115**	**(4,378)**	**3,310**	**3,047**	**(2,893)**	**1,518**	**1,672**
Covid-19	**3,013**	**(3,013)**	**-**	**-**	**-**	**-**	**-**
Total General Fund Earmarked Reserves and Carry Forward Balances	**25,678**	**(10,026)**	**4,534**	**20,186**	**(8,313)**	**2,300**	**14,173**
HRA (see HRA note 9)	**74,912**	**(66,890)**	**15,586**	**23,608**	**(36,387)**	**39,527**	**26,748**

Business Rates Reserve
This reserve is primarily held to support the smoothing out of potential variations in Business Rate income and appeals.

Insurance Reserve
This reserve contains an estimate of anticipated insurance claims which the Council may have to meet. Some risks are 'self-insured' whilst others are covered through the payment of premiums to external insurance companies with the Council having to meet any excess. The Council also holds an insurance provision which covers claims received for which there is some certainty that they will be paid.

Litigation Reserve
This reserve has been established to meet potential claims arising from litigation against the Council.

Flood Reserve
This reserve is to offset costs of future flooding events.

Miscellaneous Reserves
These minor reserves exist to meet various expected costs.

Capital Financing Reserves
These reserves will be required in future years to finance the Council's planned capital investment strategy.

Schools' Financial Reserves
The Authority's Scheme for Financing Schools, which is based on the legislative provisions of the School Standards and Framework Act 1998, provides for any balances or deficits on schools' budgets to be carried forward from one financial year to the next.

Dedicated Schools Grant Reserve
This reserve holds any in-year surpluses on the Dedicated Schools Grant. The cumulative deficit on the Dedicated Schools grant is held separately in the Dedicated Schools Grant Adjustment Account (an unusable reserve) in accordance with legislation. See further details in Note 25(g) Unusable Reserves.

Carry Forwards to support Future Budgets
The carry forwards of underspends from 2024/25 to the new financial year are to meet anticipated expenditure commitments.

11. Other Operating Income and Expenditure

2023/24		2024/25
£'000		£'000
443	Levies	474
-	Payments to the Government Housing Capital Receipts Pool	-
14,666	(Gains) / losses on the disposal of non-current assets	(2,665)
-	PFI Liability Remeasurment	9,351
-	Lease Liability	4,069
848	Other	1,129
15,957		**12,358**

12. Financing and Investment Income and Expenditure

2023/24		2024/25
£'000		£'000
28,967	Interest payable and similar charges	33,644
93	Pension interest cost and expected return on pension assets	4,214
(3,358)	Interest receivable and similar income	(2,561)
325	(Surplus)/Deficit from Trading Operations	273
(2,089)	Net income/expenditure from investment properties	(1,626)
(245)	Change in fair value of investment properties	2,357
(680)	Other investment income	(860)
23,013		**35,441**

13. Taxation and Non Specific Grant Income

2023/24		2024/25
£'000		£'000
(105,710)	Council Tax income	(115,332)
(70,813)	Non-Domestic Rates	(70,968)
(82,910)	Non-ringfenced Government Grants	(84,187)
(70,205)	Capital Grants and Contributions	(64,274)
(329,638)		**(334,761)**

14. Property, Plant and Equipment

Movements in 2024/25

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant and Equipment	PFI Assets included in Property, Plant and Equipment	Leased Out Assets included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2024	732,949	756,166	41,429	-	22,434	2,583	1,555,561	95,381	297,673
Opening Balance Adjustment *	-	17,538	21,466	-	-	-	39,004	-	-
Amended Opening Balance	732,949	773,704	62,895	-	22,434	2,583	1,594,565	95,381	297,673
Additions	72,601	45,670	9,039	-	-	18,249	145,559	1,778	3,867
Donations	-	-	-	-	-	-	-	-	-
Revaluation increases / (decreases) recognised in the Revaluation Reserve	-	(27,558)	-	(2)	(938)	-	(28,498)	(9,868)	(84,969)
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	133,564	(73,902)	-	(134)	215	-	59,743	(1,542)	(11,703)
Derecognition - Disposals	(6,451)	-	(1,036)	-	-	-	(7,487)	-	-
Derecognition - Other	-	(3,223)	-	-	-	-	(3,223)	-	-
Other movements in cost or valuation	-	5,961	-	245	(119)	(2,408)	3,679	-	34,165
At 31 March 2025	932,663	720,652	70,898	109	21,592	18,424	1,764,338	85,749	239,033
Accumulated Depreciation and Impairments									
At 1 April 2024	(63,086)	(33,792)	(33,832)	-	(2,265)	(176)	(133,151)	(8,323)	-
Accumulated Depreciation written out	63,086	33,792	-	-	-	-	96,878	-	-
Depreciation charge	(14,287)	(26,327)	(6,192)	-	(1)	-	(46,807)	(2,671)	(9,839)
Depreciation written out to the Revaluation Reserve	-	57,047	-	-	422	-	57,469	10,970	-
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	11,263	-	2	94	-	11,359	-	-
Other revaluation movements recognised in the Revaluation Reserve	-	-	-	-	-	-	-	-	-
Other revaluation movements recognised in the Surplus/Deficit on the Provision of Services	(72,006)	(28,274)	(2,183)	-	-	(2)	(102,465)	-	-
Derecognition - Disposals	-	-	1,036	-	-	-	1,036	-	-
Other movements in depreciation & impairment	-	-	-	-	-	-	-	-	-
At 31 March 2025	(86,293)	13,709	(41,171)	2	(1,750)	(178)	(115,681)	(24)	(9,839)
Net Book Value at 31 March 2025	**846,370**	**734,361**	**29,727**	**111**	**19,842**	**18,246**	**1,648,657**	**85,725**	**229,194**
at 31 March 2024	669,863	739,912	29,063	-	20,169	2,407	1,461,414	87,058	297,673
Closing NBV of R-o-U Asset (as per note 38)	-	33,348	21,696	-	-	-	55,044	-	-

* The Council has adopted IFRS16 from 1st April 2024. Opening balance adjustments have been made for leases requiring the recognition of a Right of Use Asset and equivalent liability. The Council has recognised changes to the accounts as at the date of application therefore comparative information has not retrospectively been restated.

Movements in 2023/24 **Restated**

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant and Equipment	PFI Assets included in Property, Plant and Equipment	Leased Out Assets included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2023	743,021	771,396	39,802	164	23,419	760	1,578,562	95,366	313,887
Accumulated Depreciation written out	(50,433)	(30,300)	-	-	-	-	(80,733)	-	-
Additions	53,970	52,877	2,385	-	1,351	1,823	112,406	-	832
Donations	-	-	-	-	-	-	-	-	-
Revaluation increases / (decreases) recognised in the Revaluation Reserve	-	(8,918)	-	(164)	(711)	-	(9,793)	(73)	(10,455)
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(7,928)	(11,729)	-	-	83	-	(19,574)	88	(458)
Derecognition - Disposals	(5,681)	(17,160)	(758)	-	(1,708)	-	(25,307)	-	(71)
Derecognition - Other	-	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-	-	-
Reclassification to/(from) Leased Out Assets	-	-	-		-	-	-	-	(6,062)
At 31 March 2024	732,949	756,166	41,429	-	22,434	2,583	1,555,561	95,381	297,673
Accumulated Depreciation and Impairments									
At 1 April 2023	(50,433)	(30,300)	(31,529)	-	(2,265)	(176)	(114,703)	(7,023)	0
Accumulated Depreciation written out	50,433	30,300	-	-	-		80,733	-	-
Depreciation charge	(11,014)	(18,408)	(2,229)	-	-	-	(31,651)	(1,989)	(4,842)
Depreciation written out to the Revaluation Reserve	-	11,748	-	-	-	-	11,748	689	4,841
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	1,229	-	-	-	-	1,229	-	-
Other revaluation movements recognised in the Revaluation Reserve	-	-	-	-	-	-	-	-	-
Other revaluation movements recognised in the Surplus/Deficit on the Provision of Services	(52,072)	(28,990)	(832)	-	-	-	(81,894)	-	-
Derecognition - Disposals	-	629	758	-	-	-	1,387	-	1
Derecognition - Other	-	-	-	-	-	-	-	-	-
Other movements in depreciation and impairment	-	-	-	-	-	-	-	-	-
At 31 March 2024	(63,086)	(33,792)	(33,832)	-	(2,265)	(176)	(133,151)	(8,323)	-
Net Book Value									
at 31 March 2024	669,863	722,374	7,597	-	20,169	2,407	1,422,410	87,058	297,673
at 31 March 2023	692,588	741,096	8,273	164	21,154	584	1,463,859	88,343	313,887

Infrastructure Assets

In accordance with the temporary relief offered by the update to the Code on infrastructure assets [Local Government Circular 09/2022] this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements

The Council has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

2023/24		2024/25
£'000		£'000
	Net book value (modified historical cost)	
181,959	**at 1 April**	185,604
13,043	Additions	14,126
-	Derecognition	-
(9,398)	Depreciation	(9,608)
-	Impairment	-
-	Other movements in cost	-
185,604	**Net book value at 31 March**	**190,122**

2023/24		2024/25
£'000		£'000
185,604	Infrastructure assets	190,122
1,422,410	Other PPE assets	1,648,657
1,608,014	**Total PPE assets**	**1,838,779**

The Council has determined in accordance with Regulation (30M England) of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

Surplus Assets

The Council's surplus assets are valued at fair value. When measuring fair value of a non-financial asset, the council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Surplus assets have been valued based on Level 2 observable market inputs. Specifically, this includes the latest sale prices of the nearest equivalent or similar sites, adjusted for factors such as location, size, and site specific characteristics,

Assets categorised as 'Surplus Assets' are measured annually at each reporting date. All valuations are carried out internally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuation experts work closely with finance officers reporting directly to the Head of Accountancy on a regular basis regarding all valuation issues.

Depreciation

Economic useful lives of property, plant and equipment are regularly reviewed and, where appropriate, revised to reflect changing circumstances and changing economic conditions.

The following useful lives have been used in the calculation of depreciation:

- Council Dwellings – 5-40 years
- Other Land and Buildings – 2-120 years (general buildings up to 60 years, building substructures up to 120 years)
- Vehicles, Plant, Furniture & Equipment – 2-50 years (vehicles up to 10 years and a small number of equipment assets from 3-50 years)
- Infrastructure – 20 years

Depreciation is charged for a full year, based on the final asset balances reflected as at the end of the previous financial year.

Capital Commitments

At 31 March 2025, the Council has plans in place for a number of capital schemes relating to the construction or enhancement of Property, Plant and Equipment budgeted to cost £878m over the next four years. A first formal review of the 4 year programme, in light of 2024/25 Outturn, is due to be considered by the Council's Cabinet Committee in September 2025. Similar commitments at 31 March 2024 were £491m. The Council has entered into contracts for the construction or enhancement of property, plant and equipment in 2025-26 and future years. The major commitments at 31 March 2025 are as follows:

2023/24		2024/25
£'000		£'000
	Capital Scheme	
1,789	Endeavour/Trinity Schools - Relocation and Refurbishment	-
-	City Centre Public Realm - Princes Dock and Humber Street	1,628
-	Scott Street Bridge	833
-	ICT - ERP Replacement Programme	4,075
6,211	Travellers Sites - Provision of New Sites	3,119
2,771	Bude Park - Refurbishment of Sports Pavilion and Pitches	672
6,269	Hull Maritime - Queens Gardens Refurbishment	7,924
-	Beverley Road Townscape Heritage Scheme	970
6,627	Hull Maritime - Museum and Ships Refurbishment and Upgrades	12,780
16,000	Albion Square - Site Clearance and Community Diagnostics Centre New Build	4,046
-	Managed Workspace Centre	1,404
19,635	Housing - Cladding and Structural Programmes	541
19,891	Housing - New Build	19,979
79,193	**Total Commitments**	**57,971**

Revaluations

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. Valuations of land and buildings were carried out by our in-house property team in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The effective date for revaluations is the last day of the financial year.

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	-	-	29,727	-	-	29,727
Valued as at:						
31 March 2025	846,370	61,338	-	-	19,842	927,550
31 March 2024	-	55,292	-	-	-	55,292
31 March 2023	-	160,163	-	-	-	160,163
31 March 2022	-	55,337	-	-	-	55,337
31 March 2021	-	390,855	-	111	-	390,966
Total Cost or Valuation	**846,370**	**722,985**	**29,727**	**111**	**19,842**	**1,619,035**

Trust, Voluntary Aided, Voluntary Controlled and Academy Schools

Trust Schools

The local authority funds and manages the Trust School admissions policy and forms part of the Council's capital spending plan. Therefore, non-current assets (land and buildings) have been recognised in the Council's balance sheet for 2024/25.

Voluntary Aided Schools

Voluntary aided schools are endowed by a trust, often religious in character. The Schools Standards Framework Act determines that the trustees own the school buildings and the governing bodies are responsible for the provision of premises and all capital work to school buildings. However, the Council is statutorily responsible for the land. Consequently, values for the buildings have not been recognised in the Council's balance sheet, but values for the playing fields have been included as non-current assets.

Voluntary Controlled

Voluntary controlled schools are owned by a charity but the local authority runs the schools and employs the staff. The Council is normally the freeholder of the non-current assets and accordingly the school premises have been recognised as property, plant and equipment in the balance sheet.

Academies

There were no school transfers to academy status in 2024/25. Therefore, at 31 March there are ninety three in total. The schools are owned and managed completely independently of the local authority and therefore the non-current assets have been excluded from this balance sheet. Schools transferring to academy status are disposed of at the end of the financial year and charged a full year's depreciation.

15. Heritage Assets

	Historical Buildings £'000	Historical Vessels £'000	Statues & Monuments £'000	City Hall Organ £'000	Art Collections £'000	Civic Regalia £'000	Total Assets £'000
Cost or valuation							
At 1 April 2024	2,880	773	192	1,069	350	529	5,793
Additions	-	1,070	-	-	-	-	1,070
Revaluations	93	(928)	-	-	-	-	(835)
Other movements in cost or valuation	-	-	-	-	-	-	-
Impairment Losses/(reversals) recognised in the Revaluation Reserve	-	-	-	-	-	-	-
Depreciation	(31)	(119)	-	-	-	-	(150)
At 31 March 2025	**2,942**	**796**	**192**	**1,069**	**350**	**529**	**5,878**

	Historical Buildings £'000	Historical Vessels £'000	Statues & Monuments £'000	City Hall Organ £'000	Art Collections £'000	Civic Regalia £'000	Total Assets £'000
Cost or valuation							
At 1 April 2023	2,944	750	192	1,069	350	529	5,834
Additions	-	1,694	-	-	-	-	1,694
Revaluations	(33)	(1,572)	-	-	-	-	(1,605)
Other movements in cost or valuation	-	-	-	-	-	-	-
Impairment Losses/(reversals) recognised in the Revaluation Reserve	-	-	-	-	-	-	-
Depreciation	(31)	(99)	-	-	-	-	(130)
At 31 March 2024	**2,880**	**773**	**192**	**1,069**	**350**	**529**	**5,793**

All heritage assets shown in the above table are tangible assets. There are no intangible assets.

Historical Buildings

The only historical building identified as meeting the required definitions of a Heritage Asset is the Wilberforce House Museum, as it is principally held for the purposes of knowledge and culture.

Historical Vessels

The Council has two historical vessels; Spurn Lightship and the Arctic Corsair. These are valued at current value within the asset portfolio.

Statues and Monuments

The Council has a number of statues and monuments located across the city. These assets are held at historic cost.

City Hall Organ

Given the value and nature of this asset, its individual disclosure in the above note was deemed to be appropriate. This asset is valued at historical cost.

Art Collections

The art collections are summarised as those held within the Council's corporate buildings and are held at historical cost.

Civic Regalia

The collection incorporates items of silver and insignia relating to the corporate and local history of Hull, and is valued at historic cost.

See note 47 for further details on heritage assets.

16. Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

2023/24		2024/25
£'000		£'000
(4,592)	Rental income from investment property	(4,700)
2,503	Operating expenses arising from investment property	3,074
(2,089)	Net (gain) / loss	**(1,626)**

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to remittance of income and the proceeds of disposal. The Council has an obligation to repair and maintain properties in its investment portfolio.

The following table summarises the movement in the fair value of investment properties over the year:

2023/24		2024/25
£'000		£'000
63,317	Balance at start of year	63,284
	Additions:	
-	Acquisitions	-
-	Enhancements	-
(278)	Disposals	(286)
245	Net gains/losses from fair value adjustments	(2,357)
	Transfers:	
-	to/from Assets held for Sale	-
-	to/from Property, Plant and Equipment	(3,675)
-	Other Changes	-
63,284	Balance at end of year	**56,966**

The closing Balance of Right of Use Assets as at 31 March 2025 is £6,596m

Fair Value Hierarchy

Details of the Council's investment properties and information about the fair value hierarchy as at 31 March 2025 are as follows:

	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31 March 2025
	£'000	£'000	£'000	£'000
Recurring fair value measurements using:				
Agriculture	-	2,292	-	2,292
Commercial	-	25,745	-	25,745
Industrial	-	19,189	-	19,189
Offices	-	4,923	-	4,923
Other	-	4,817	-	4,817
Total	**-**	**56,966**	**-**	**56,966**

	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31 March 2024
	£'000	£'000	£'000	£'000
Recurring fair value measurements using:				
Agriculture	-	2,768	-	2,768
Commercial	-	25,955	-	25,955
Industrial	-	20,608	-	20,608
Offices	-	5,686	-	5,686
Other	-	8,267	-	8,267
Total	**-**	**63,284**	**-**	**63,284**

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between Levels during the year.

Valuation Techniques used to determine Level 2 Fair Values for Investment Properties

Significant Observable Inputs – Level 2

Investment properties' fair value is calculated using the term & reversion approach. The term income reflects the current rent passing under the existing lease agreements. The reversionary income represents the market rent (the full rental value) derived from observable market transactions as at the date of valuation as defined in the RICS Valuation Professional Standards January 2014 (VOPS 4.1.3.1).

Highest and Best Use of Investment Properties

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is the current use.

Valuation Techniques

There has been no change in the valuation techniques used during the year for investment properties.

Valuation Process for Investment Properties

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out internally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuation experts work closely with finance officers reporting directly to the Assistant City Treasurer (Corporate Finance) on a regular basis regarding all valuation matters.

17. Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets relate to purchased software licences.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful life assigned to the major software suite, Oracle IT software licence is 5 years.

The carrying amount of intangible assets is amortised on a straight line basis. The majority of amortisation of £3m charged to revenue in 2024/25 was charged to the IT administration cost centre and then absorbed as an overhead across all the service headings in the Net Expenditure of Services.

The movement of Intangible Asset balances during the year is as follows:

2023/24		2024/25
£'000		£'000
	Balance at start of year:	
27,983	Gross carrying amounts	29,654
(16,928)	Accumulated amortisation	(20,171)
11,055	Net carrying amount at start of year	9,483
	Additions:	
3,005	Purchases	3,045
(3,243)	Amortisation for the period	(3,303)
(1,334)	Other changes	(784)
9,483	Net carrying amount at end of year	**8,441**
	Comprising:	
29,654	Gross carrying amounts	31,915
(20,171)	Accumulated amortisation	(23,474)
9,483		**8,441**

No individual capitalised items of software are individually material to the financial statements.

18. Financial Instruments

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet at Amortised Cost:

Total Investments	**10**	**10**	**17,835**	**6,816**
Debtors				
Loans and receivables	10,870	11,401	56,164	68,640
Other Short Term Assets	-	-	567	-
Total Debtors	**10,870**	**11,401**	**56,731**	**68,640**
Borrowings				
Financial liabilities (principal amount)	583,785	514,633	190,907	188,979
Financial liabilities (accrued interest)	-	-	5,007	4,996
Financial liabilities at amortised cost	583,785	514,633	195,914	193,975
Finaincial liabilities at fair value through profit and loss	-	-	-	-
Total Borrowings	**583,785**	**514,633**	**195,914**	**193,975**
Other Long Term Liabilities				
Right of Use Lease Liability	30,299	-	7,971	-
PFI	132,836	130,496	8,087	6,665
Total Other Long Term Liabilities	**163,135**	**130,496**	**16,058**	**6,665**
Creditors				
Financial liabilities at amortised costs	1,416	1,355	67,742	64,959
Total Creditors	**1,416**	**1,355**	**67,742**	**64,959**

Loans and receivables and creditor elements only include contracted debt/liabilities and therefore exclude statutory debt/liabilities such as Council Tax / NNDR.

Reclassifications

There has been no reclassification of financial assets during 2024/25.

Soft Loans

The Council holds no material soft loans as at 31 March 2025 or 31 March 2024.

Employee Car Loans

The total of Employee Car Loans held at 31 March 2025 was £0.038m, this had reduced from £0.045m at 31 March 2024.

Income, Expense, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

This note shows the effect of reclassification of financial assets and liabilities following the adoption of IFRS 9 Financial Instruments by the Code of Practice on Local Authority Accounting.

	2024/25		2023/24	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
	£'000	£'000	£'000	£'000
Interest Revenue				
Financial assets measured at amortised cost	3,824	-	4,038	-
Total Interest Revenue	**3,824**	**-**	**4,038**	**-**
Fee Expense				
Financial assets or liabilities that are not at fair value through profit and loss	(426)	-	(242)	-
Trust and other fiduciary activities	-	-	-	-
Total Fee Expense	**(426)**	**-**	**(242)**	**-**
Interest Expense	**(33,218)**	**-**	**(28,725)**	**-**

Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. When measuring the fair value of a financial instrument, the council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Disclosure of fair value is not required where the carrying amount is thought to be a reasonable approximation of fair value, such as when the interest rate remains the same for the life of the instrument. This applies to all of the Council's other financial instruments.

The Council's Treasury Management Advisors, MUFG Corporate Markets, provide the required fair value calculations of the Council's financial assets and liabilities.

Valuation Techniques – Methodology and Assumptions

The 2024/25 Code of Practice sets out the fair value valuation hierarchy that authorities are required to follow to increase consistency and comparability in fair value measurements and related disclosures.

The valuation basis adopted uses Level 2 Inputs – ie. inputs other than quoted prices that are observable for the financial asset/liability.

Except for financial assets and financial liabilities carried in the Balance Sheet at fair value, all other financial assets and financial liabilities are carried in the Balance Sheet at amortised cost. Fair value can be assessed by calculating the net present value of cash flows that are expected to take place over the remaining life of the instruments. This is a widely accepted valuation technique commonly used in the private sector.

MUFG Corporate Markets have applied the following valuation bases:

Valuation of fixed term deposits (maturity investments)
Valuation is made by comparison of the fixed term investment with a comparable investment with the same/similar lender for the remaining period of the deposit.

Valuation of loans receivable
For loans receivable prevailing benchmark market rates have been used to provide fair value.

Valuation of PWLB Loans
For loans from the PWLB, MUFG Corporate Markets have provided fair value estimates using the new market loan discount rates.

Valuation of non-PWLB Loans
For non-PWLB loans, MUFG Corporate Markets have provided fair values using borrowing rates. In the absence of a substantial active market for new long term market loans, the rates used for new borrowing are based on discussions with possible market participants for new lending. These rates provide a reasonable proxy for rates that market participants appear to have used for early redemption costs for market loans. For loans from a local authority to another local authority, an appropriate margin above the applicable gilt has been applied based on market evidence on the 31st of March.

Inclusion of accrued interest
The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value in the Balance Sheet. Since this will include accrued interest as at the Balance Sheet date, MUFG Corporate Markets have also included accrued interest in the fair value calculation. This figure will be calculated up to and including the valuation date.

Discount rates used in NPV calculation
The rates quoted in this valuation were obtained by MUFG Corporate Markets from the market on 31 March 2025, using bid prices where applicable.

Assumptions:
It is noted that the following assumptions do not have a material effect on the fair value of the instrument:

- Interest is calculated using the most common market convention, Actual/365, a day-count formula.

- Interest is not paid/received on the start date of an instrument, but is paid/received on the maturity date.

The following categories of financial instruments are carried in the Balance Sheet at Amortised Cost. The carrying amounts and fair values calculated are as follows:

Financial Instruments as at 31 March 2025

	Carrying amount	Fair Value				
		N/A	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets measured at fair value						
Short term investments	-	-	-	-	-	-
Long term investments	10	10	-	-	-	10
	10	**10**	**-**	**-**	**-**	**10**
Financial assets not measured at fair value						
Cash and cash equivalents	17,835	-	17,835	-	-	17,835
Short term debtors	56,164	56,164	-	-	-	56,164
Long term debtors	10,870	10,870	-	-	-	10,870
Other Short Term Assets	567	567	-	-	-	567
	85,436	**67,601**	**17,835**	**-**	**-**	**85,436**
Financial liabilities held at amortised cost						
PWLB debt	566,036	-	-	336,351	-	336,351
Non-PWLB debt	213,601	-	-	214,106	-	214,106
Other short term borrowing	62	62	-	-	-	62
	779,699	**62**	**-**	**550,457**	**-**	**550,519**
Financial liabilities not measured at fair value						
Short term creditors	67,742	67,742	-	-	-	67,742
PFI	140,923	140,923	-	-	-	140,923
Right of Use Leases	38,270	38,270	-	-	-	38,270
Long term creditors	1,416	1,416	-	-	-	1,416
	248,351	**248,351**	**-**	**-**	**-**	**248,351**

The fair value of liabilities is lower than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions as at 31 March 2025) arising from a commitment to pay interest to lenders below current market rates.

The fair value of assets is on par with the carrying amount as the Council's portfolio of investments is of a short term nature and the interest rate receivable is comparable to rates available for similar loans at the Balance Sheet date.

Short term debtors and creditors are carried at cost as this is a fair approximation of their value.

The following categories of financial instruments are carried in the Balance Sheet at Amortised Cost. The carrying amounts and fair values calculated are as follows:

Financial Instruments as at 31 March 2024

	Carrying amount	Fair Value				
		N/A	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets measured at fair value						
Short term investments	-	-	-	-	-	-
Long term investments	10	10	-	-	-	10
	10	**10**	**-**	**-**	**-**	**10**
Financial assets not measured at fair value						
Cash and cash equivalents	6,816	-	6,816	-	-	6,816
Short term debtors	68,640	68,640	-	-	-	68,640
Long term debtors	11,401	11,401	-	-	-	11,401
	86,857	**80,041**	**6,816**	**-**	**-**	**86,857**
Financial liabilities held at amortised cost						
PWLB debt	577,602	-	-	372,728	-	372,728
Non-PWLB debt	130,944	-	-	130,944	-	130,944
Other short term borrowing	62	62	-	-	-	62
	708,608	**62**	**-**	**503,672**	**-**	**503,734**
Financial liabilities not measured at fair value						
Short term creditors	64,959	64,959	-	-	-	64,959
PFI	137,161	137,161	-	-	-	137,161
Long term creditors	1,355	1,355	-	-	-	1,355
	203,475	**203,475**	**-**	**-**	**-**	**203,475**

19. Inventories

Inventories are valued at the lower of cost and realisable value.

2023/24		2024/25
£'000		£'000
457	**Balance outstanding at start of year**	438
2,426	Purchases	2,232
(2,429)	Recognised as an expense in the year	(2,201)
(16)	Written off balances	(24)
438	**Balance outstanding at year-end**	**445**

20. Short Term Debtors

31 March 2024		31 March 2025
£'000		£'000
19,229	Central government bodies	24,963
1,282	Other local authorities	1,650
17,479	NHS bodies	2,920
81,809	Other entities and individuals	87,613
(26,006)	Less: Impairment allowance for doubtful debts	(27,125)
93,793		**90,021**

Where income which relates to the reporting year is expected to be received after the financial year end, an estimate is made of the amount to be accrued.

Impairment Allowance for Debtors

31 March 2024		31 March 2025
£'000		£'000
(4,351)	Accounts Receivable	(5,538)
(1,920)	Housing Revenue Account	(2,208)
(3,135)	Housing Benefit Overpayments	(2,997)
(833)	Commercial Rents	(662)
(15,767)	Collection Fund	(15,720)
(26,006)		**(27,125)**

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed as follows:

31 March 2024		31 March 2025
£'000		£'000
9,036	Less than 1 year	9,160
8,160	1 - 2 years	8,837
2,271	2 - 6 years	5,194
123	More than 6 years	134
19,590		**23,325**

The above analysis only shows those balances where assessment has indicated that, by exception, no impairment is required.

21. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2024		31 March 2025
£'000		£'000
168	Cash held by the Authority	213
(8,391)	Bank current accounts	(9,833)
15,039	Short-term deposits with banks/building societies	27,455
6,816	**Total Cash and Cash Equivalents**	**17,835**

22. Short Term Creditors

An analysis of the Council's creditors for amounts falling due within one year is shown below.

31 March 2024		31 March 2025
£'000		£'000
25,280	Central government bodies	18,727
1,151	Other local authorities	6,414
122	NHS bodies	2,003
46,528	Other entities and individuals	44,807
73,081		**71,951**

Where expenditure has been incurred but not invoiced, an estimate is made of the amount to be accrued.

23. Provisions

	Balance at 1 April 2024	Additional provisions made in 2024/25	Amounts used in 2024/25	Unused amounts reversed in 2024/25	Balance at 31 March 2025
	£'000	£'000	£'000	£'000	£'000
Insurance Provision	(1,780)	-	-	-	(1,780)
Litigation Claims	(198)	(179)	132	-	(245)
Disrepair Provision	(2,555)	-	451	-	(2,104)
Collection Fund Appeals	(2,376)	(27)	-	-	(2,403)
Total Provisions per Balance Sheet	**(6,909)**	**(206)**	**583**	**-**	**(6,532)**

Insurance Provision

The Council holds insurance provisions to cover the amount of claims lodged against the Council which have been assessed as being likely to be successful. The claims are for employers and public liability and while catastrophic cover is externally insured, self-insurance is used for the majority of these claims. The insurance provisions are created from internal premiums charged to service revenue accounts. Claims are met directly from these provisions. The provisions cover future liabilities where there is some likelihood it will arise but for which the exact amount and timing is not known. There are additional monies which are to cover the same risks but where no claim has yet been received by either the Council or its insurer. This does not meet the definition of a provision and is held as a reserve.

Litigation Claims

The Council is currently dealing with litigation claims where it is now anticipated that costs will be incurred.

Disrepair Provision

The Council has made a provision for the costs of outstanding Housing Disrepair claims reflecting the number of claims received by 31 March 2025.

Collection Fund Appeals

The Council has made a provision for NNDR Appeals based upon its best estimates of the actual liability as at the year-end in known appeals.

24. Usable Reserves

2023/24		2024/25
£'000		£'000
20,968	General Fund Balance	20,968
20,186	Earmarked General Fund Reserves	14,173
3,750	Housing Revenue Account	3,750
19,858	Earmarked Housing Revenue Account Reserves	22,998
-	Major Repairs Reserve	-
38,836	Capital Receipt Reserves	40,774
49,442	Capital Grants Unapplied	35,550
153,040		**138,213**

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement, supported by the detailed movements in note 9 – Adjustments between Accounting Basis and Funding Basis under Regulations.

25. Unusable Reserves

2023/24		2024/25
£'000		£'000
392,202	Revaluation Reserve	408,371
328,332	Capital Adjustment Account	453,808
(2,280)	Financial Instruments Adjustment Account	(2,158)
(91,629)	Pension Reserve	(82,302)
2,240	Collection Fund Adjustment Account	175
(2,354)	Accumulated Absences Account	(1,994)
(3,509)	Dedicated Schools Grant Adjustment Account	(8,454)
623,002	**Total Unusable Reserves**	**767,446**

(a) Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment (and intangible assets). The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost,
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2023/24		2024/25
£'000		£'000
412,989	**Balance at 1 April**	392,202
15,197	Upward revaluation of assets	134,399
(13,275)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(105,338)
414,911	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	421,263
(10,089)	Difference between fair value depreciation and historical cost depreciation	(12,892)
(12,620)	Accumulated gains on assets sold or scrapped	-
(22,709)	Amount written off to the Capital Adjustment Account	(12,892)
392,202	**Balance at 31 March**	**408,371**

(b) Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 9 provide details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2023/24		2024/25	
£'000		£'000	£'000
338,352	Balance at 1 April		328,332
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(93,247)	Charges for depreciation and impairment of non-current assets	(131,795)	
(51,072)	Revaluation losses on Property, Plant and Equipment	135,807	
(3,243)	Amortisation of Intangible Assets	(3,303)	
(21,546)	Revenue expenditure funded from capital under statute	(32,331)	
(24,198)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(6,737)	
(193,306)			(38,359)
(241)	Repayment of long term debtors		(261)
22,709	Adjusting amounts written out of the Revaluation Reserve		12,892
(170,838)	Net written out amount of the cost of non-current assets consumed in the year		(25,728)
	Capital financing applied in the year:		
7,196	Use of the Capital Receipts Reserve to finance new capital expenditure	7,384	
46,652	Use of the Major Repairs Reserve to finance new capital expenditure	36,387	
33,241	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	52,090	
11,415	Application of grants to capital financing from the Capital Grants Unapplied Account	37,784	
60,974	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	19,590	
1,095	Capital expenditure charged against the General Fund and HRA balances	326	
160,573			153,561
245	Movements in the fair value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		(2,357)
328,332	**Balance at 31 March**		**453,808**

(c) Financial Instrument Adjustment Account

The Financial Instrument Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on Council Tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the Account at 31 March 2025 will be charged to the General Fund over the next 25 years.

2023/24		2024/25	
£'000		£'000	£'000
(2,402)	Balance at 1 April		(2,280)
-	Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	-	
122	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	122	
122	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements		122
(2,280)	**Balance at 31 March**		**(2,158)**

(d) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, charging assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employers' contributions to pension funds or eventually pays any pensions for which it is directly responsible.

In 2022/23, the actuarial valuation has seen a significant movement from a deficit to a surplus position. Under the International Accounting Standard (IAS19) the Council must disclose the lower of the actuarial valuation or Asset Ceiling calculation. The Asset Ceiling calculation resulted in a lower valuation and has therefore been included within the accounts for 2024/25.

As stated in the Accounting Policies under (ix) Employee Benefits – The Local Government Pension Scheme, the assets and liabilities of the pooled fund incorporating Kingston Upon Hull City Council, Hull Culture and Leisure Limited (HC&L) and Kingstown Works Limited (KWL) have been consolidated into Kingston upon hull City Council's single entity accounts. The position of all three bodies of the fund are therefore reflected in the Pension Reserve table below. However, as HC&L and KWL also show a net asset position they have been revised down to the Asset Ceiling calculation of nil.

2023/24		2024/25
£'000		£'000
(4,261)	Balance at 1 April	(91,629)
-	Opening balance adjustment	-
176,445	Actuarial gains or losses on pensions assets and liabilities	505,060
(29,306)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(32,895)
33,904	Employer's pensions contributions and direct payments to pensioners payable in the year	36,301
(268,411)	Asset Ceiling Adjustment	(499,139)
(91,629)	**Balance at 31 March**	**(82,302)**

(e) Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the difference arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24		2024/25
£'000		£'000
4,951	Balance at 1 April	2,240
(2,711)	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(2,065)
2,240	**Balance at 31 March**	**175**

(f) Accumulated Absences Account

The Accumulated Absences Account absorbs the difference that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, eg annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the account.

2023/24		2024/25	
£'000		£'000	£'000
(1,732)	Balance at 1 April		(2,354)
-	Settlement or cancellation of accrual made at the end of the preceding year	-	
(622)	Amounts accrued at the end of the current year	360	
(622)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		360
(2,354)	**Balance at 31 March**		**(1,994)**

(g) Dedicated Schools Grant Adjustment Account

The Dedicated Schools Grant Adjustment Account is a statutory ring-fenced account introduced for those authorities with a deficit on the schools budget, to allow separation of such deficits from the general fund. This is in response to the School and Early Years Finance (England) Regulations (2020) setting out that a schools budget deficit must be carried forward to be funded from future Dedicated Schools Grant income, unless permission is sought from the Secretary of State for Education to fund the deficit from general resources.

The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where the Council has a deficit on its schools budget, it must not charge the amount of that deficit to a revenue account. The Council must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget. The accounting practice has the effect of separating schools budget deficits from the Councils' General Fund. It was initially set to cover three financial years to 2022/23, and has since been extended for a further three years, until March 2026.

This issue can only be fully resolved by closing the deficits. Therefore, the accounting treatment introduced by this regulation is limited to provide time for Government and the Council to look at budgetary and financial management strategies to reduce the deficit.

2023/24		2024/25
£'000		£'000
(3,509)	Balance at 1 April	(3,509)
-	Adjustment for DSG reserve	-
(3,509)	Restated Opening Balance	**(3,509)**
-	In Year DSG overspend	(4,945)
(3,509)	**Balance at 31 March**	**(8,454)**

26. Cash Flow Statement – Operating Activities

Adjustments to net surplus or deficit on the provision of services for non-cash movements:

2023/24		2024/25
£'000		£'000
93,247	Depreciation and Impairment	56,566
19,917	Downward (upward) valuations	(63,801)
3,243	Amortisation	3,303
(9,810)	Increase/(decrease) in Creditors	(8,042)
(18,171)	(Increase)/decrease in Debtors	6,231
19	(Increase)/decrease in Stock	(7)
(4,598)	Movement in pension liability	(3,415)
24,198	Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	6,737
(471)	Other non-cash items charged to the net surplus or deficit on the provision of services	(3,325)
107,574		**(5,753)**

Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities:

2023/24 £'000		2024/25 £'000
-	Proceeds from short-term and long-term investments	-
(9,532)	Proceeds from the sale of PP&E, investment property and intangible assets	(9,058)
(116,458)	Any other items for which the cash effects are investing or financing cash flows	(52,081)
(125,990)		**(61,139)**

The cash flows for operating activities include the following items:

2023/24 £'000		2024/25 £'000
3,358	Interest received	3,096
(28,967)	Interest paid	(34,366)
680	Dividends received	860
-	Other Lease income	(216)
-	Other Lease payments	366
(24,929)		**(30,260)**

27. Cash Flow Statement – Investing Activities

2023/24 £'000		2024/25 £'000
(96,189)	Purchase of property, plant and equipment, investment property and intangible assets	(80,723)
-	Purchase of short-term and long-term investments	-
(6)	Other payments for investing activities	(975)
9,532	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	9,058
-	Proceeds from short-term and long-term investments	-
76,157	Other receipts from investing activities	3,579
(10,506)	**Net cash flows from investing activities**	**(69,061)**

28. Cash Flow Statement – Financing Activities

2023/24 £'000		2024/25 £'000
178,000	Cash receipts of short and long-term borrowing	475,000
40,209	Other receipts/(payments) from financing activities	-
(7,476)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(13,105)
(167,506)	Repayments of short and long-term borrowing	(403,920)
(156)	Other payments for financing activities	(5,899)
43,071	**Net cash flows from financing activities**	**52,076**

A. Reconciliation of Liabilities arising from Financing Activities

	1 April 2024	Financing Cash Flows	Changes which are not financing cash flows: Acquisition	Changes which are not financing cash flows: Other	31 March 2025
	£'000				£'000
Long Term Borrowings	514,633	69,152	-	-	583,785
Short Term Borrowings	193,975	1,939	-	-	195,914
Lease Liabilities	-	-	-	-	-
PFI Liabilities	137,161	3,762	-	-	140,923
Right of Use Lease Liability	-	38,270	-	-	38,270
Total Liabilities from Financing Activities	**845,769**	**113,123**	-	-	**958,892**

	1 April 2023	Financing Cash Flows	Changes which are not financing cash flows: Acquisition	Changes which are not financing cash flows: Other	31 March 2024
	£'000				£'000
Long Term Borrowings	581,551	(66,918)	-	-	514,633
Short Term Borrowings	116,563	77,412	-	-	193,975
Lease Liabilities	-	-	-	-	-
PFI Liabilities	144,639	(7,478)	-	-	137,161
Total Liabilities from Financing Activities	**842,753**	**3,016**	-	-	**845,769**

29. Agency Services

The Council carries out certain work on an agency basis, which is reimbursed. The principal areas of work are:

- As a highways agent for the Department of Transport

A summary of expenditure incurred in respect of the activity is as follows:

2023/24		2024/25
£'000		£'000
180	Highways agent for the Department of Transport	267
180	**Total amount reimbursable**	**267**

30. Pooled Budgets

Section 75 National Health Service Act 2006 enables the establishment of joint working arrangements between NHS bodies and local authorities and the pooling of funds to deliver specific local health issues. The Council has a pooled budget arrangement with the Humber Teaching NHS Foundation Trust for the delivery of the Yorkshire & Humber Integrated Care Record which is governed by a Section 75 Agreement.

Better Care Fund

The Better Care Fund was announced nationally in June 2013 to drive the transformation of local services to ensure that people receive better and more integrated care and support. The Council has entered into a pooled budget arrangement with NHS Humber & North Yorkshire Integrated Care Board (formerly Hull CCG) under a Section 75 Agreement to deliver Better Care. The Council's contribution to the pooled budget in 2024/25 - including monies made available to the Council by the Government through the Improved Better Care Fund and in respect of the ASC Discharge Fund was £30.08m (2023/24 £28.4m), which includes £3.1m for capital equipment; a further £0.436m of capital resources was carried forward on the pooled budget from 2023/24 by the Council. The amount allocated to the Council from the fund (including the carry forwards) was £39.2m of which £39.1m was spent in the year. (The 2023/24 amount allocated to the Council was £39.1m of which £38.7m spent in year.) The unspent balance relates to an underspend on the non BCF grant funding where posts were not appointed to in year.

2023/24		2024/25
£'000	**Total Better Care Funding - allocations to the pooled budget**	**£'000**
28,389	Hull City Council	30,081
31,584	ICB	33,874
	Carried forward	
2,215	- capital (HCC)	436
-	- revenue (HCC)	-
62,188	**Total allocations to the pooled budge**	**64,391**
£'000	**Funding allocated from the pooled budget**	**£'000**
36,918	Hull City Council	38,848
23,055	ICB	25,107
2,215	Carry forwards - HCC	436
62,188	**Total allocations from the pooled budget**	**64,391**
£'000	**Expenditure incurred**	**£'000**
(38,697)	Hull City Council	(39,139)
(23,055)	ICB	(25,107)
(61,752)	**Total spend**	**(64,246)**
436	**Total Better Care Funding Remaining**	**145**

£'000	Note: Use of remaining balance	**£'000**
436	Capital - slippage carried forward	145

Hull CCG ceased to be operational with effect from 30 June 2022 and was replaced by the NHS Humber & North Yorkshire Integrated Care Board from 1 July 2022 as part of the reorganisation of the NHS nationally. The Section 75 agreement formerly operated by the Council with Hull CCG has continued in partnership with the ICB. The move towards joint commissioning continues to develop and is reflected in the agreement which incorporates the alignment of several budgets between the partners in addition to the Better Care Pooled Budget itself.

Yorkshire & Humber Integrated Care Record

In March 2018 NHS England (NHSE) and the Local Government Association invited proposals from NHS and local government partner organizations to participate in a programme of Local Health and Care Record Exemplars (LHCRE) across England. The Programme is designed to support the adoption of best practice in the collection, protection, and use of health and care data to promote greater efficiency and effectiveness in the handling of patient/client data across the health and social care continuum in any locality. In July 2018, 74 partner organizations across the Yorkshire & Humber region (the Yorkshire & Humber Collaborating Partners) were awarded £7.5 million in capital funding by NHSE for this purpose. The Collaborating Partners subsequently agreed that the programme would be delivered through the Yorkshire & Humber Digital Care Board, and that the Humber Teaching NHS Foundation Trust (HTFT) would act as lead commissioner on behalf of the Yorkshire & Humber LHCRE. It was further agreed that the balance of funding held by HTFT at the close of 2020/21 (£4.1 million) would be used to create a pooled budget between HTFT and Hull City Council (also a member of the Y&H Collaborating Partners) to further facilitate the application of the remaining funds.

Hull City Council acts as the host of the pooled fund, there has been no movement in the funds in 2024/25 and so the balance remains at the level of 2023/24 £6,016m. This will again be available for drawdown by HTFT in 2025/26 in line with Yorkshire & Humber Digital Care Board approvals.

2023/24		2024/25
£'000	**Yorkshire & Humber Integrated Care Record - total allocations to the pooled budget**	**£'000**
-	Hull City Council	-
1,641	Humber Teaching NHS Foundation Trust	-
1,641	**Total allocations to the pooled budget**	**-**
£'000	**Funding allocated from the pooled budget**	**£'000**
1,641	Hull City Council	-
-	Humber Teaching NHS Foundation Trust	-
1,641	**Total allocations from the pooled budget**	**-**
£'000	**Expenditure incurred in 2024/25**	**£'000**
-	Hull City Council	-
(938)	Humber Teaching NHS Foundation Trust	-
(938)	**Total spend**	**-**
703	**Yorkshire & Humber Integrated Care Record - Funding Remaining**	**-**

£'000	Note: Use of remaining balance	**£'000**
5,313	Brought forward	6,016
6,016	Carried forward	6,016

31. Members' Allowances

The Council paid the following amounts to members of the Council during the year.

2023/24 £'000		2024/25 £'000
1,254	Allowances	1,344
-	Expenses	2
1,254	**Total**	**1,346**

32. Officers' Remuneration

The number of senior officers and employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:

Including Termination Benefits

	2024/25	Restated 2023/24	2024/25	Restated 2023/24
	Non Teaching (Number of posts)		Teaching (Number of posts)	
£175,000 - £179,999	1	-	-	-
£170,000 - £174,999	-	1	-	-
£165,000 - £169,999	-	-	-	-
£160,000 - £164,999	-	-	-	-
£155,000 - £159,999	-	-	-	-
£150,000 - £154,999	-	-	-	-
£145,000 - £149,999	-	-	-	-
£140,000 - £144,999	-	1	-	-
£135,000 - £139,999	4	-	-	-
£130,000 - £134,999	1	4	-	-
£125,000 - £129,999	-	-	-	-
£120,000 - £124,999	1	-	1	-
£115,000 - £119,999	-	-	-	-
£110,000 - £114,999	1	1	-	1
£105,000 - £109,999	10	11	2	-
£100,000 - £104,999	-	-	-	-
£95,000 - £99,999	1	-	-	1
£90,000 - £94,999	1	1	1	-
£85,000 - £89,999	5	1	1	1
£80,000 - £84,999	3	7	1	-
£75,000 - £79,999	1	-	3	2
£70,000 - £74,999	40	46	-	3
£65,000 - £69,999	10	6	3	-
£60,000 - £64,999	24	22	3	2
£55,000 - £59,999	69	63	15	8
£50,000 - £54,999	200	153	19	17
	372	**317**	**49**	**35**

Excluding Termination Benefits

	2024/25	Resatated 2023/24	2024/25	Resatated 2023/24
	Non Teaching (Number of posts)		Teaching (Number of posts)	
£175,000 - £179,999	1	-	-	-
£170,000 - £174,999	-	1	-	-
£165,000 - £169,999	-	-	-	-
£160,000 - £164,999	-	-	-	-
£155,000 - £159,999	-	-	-	-
£150,000 - £154,999	-	-	-	-
£145,000 - £149,999	-	-	-	-
£140,000 - £144,999	-	1	-	-
£135,000 - £139,999	4	-	-	-
£130,000 - £134,999	1	4	-	-
£125,000 - £129,999	-	-	-	-
£120,000 - £124,999	1	-	1	-
£115,000 - £119,999	-	-	-	-
£110,000 - £114,999	1	1	-	1
£105,000 - £109,999	10	11	1	-
£100,000 - £104,999	-	-	-	-
£95,000 - £99,999	1	-	-	1
£90,000 - £94,999	1	1	1	-
£85,000 - £89,999	5	1	1	1
£80,000 - £84,999	3	7	1	-
£75,000 - £79,999	1	-	3	2
£70,000 - £74,999	40	44	1	3
£65,000 - £69,999	10	7	3	-
£60,000 - £64,999	24	22	3	2
£55,000 - £59,999	69	63	15	8
£50,000 - £54,999	200	153	19	16
	372	**316**	**49**	**34**

The tables above include all individual senior officers and post holders listed below.

Senior Officers' emoluments – Salary is £150,000 or more per year:

2024/25

Post Holder Information	Note	Salary (Including fees and Allowances	Bonuses	Expense Allowances	Compensation for loss of office	Benefits in Kind	Total Remuneration excl pension contributions	Pension Contributions	Total Remuneration incl pension contributions
Chief Executive M Jukes		178,178	-	-	-	-	178,178	35,457	213,635
		178,178	**-**	**-**	**-**	**-**	**178,178**	**35,457**	**213,635**

2023/24

Post Holder Information	Note	Salary (Including fees and Allowances	Bonuses	Expense Allowances	Compensation for loss of office	Benefits in Kind	Total Remuneration excl pension contributions	Pension Contributions	Total Remuneration incl pension contributions
Chief Executive M Jukes		173,832	-	25	-	-	173,857	34,593	208,450
		173,832	**-**	**25**	**-**	**-**	**173,857**	**34,593**	**208,450**

Senior Officers' Emoluments – Salary is between £50,000 and £150,000 per year:

2024/25

Post Holder Information	Note	Salary (Including fees and Allowances)	Bonuses	Expense Allowances	Compensation for loss of office	Benefits in Kind	Total Remuneration excl pension contributions	Pension Contributions	Total Remuneration incl pension contributions
Director of Regeneration		89,035	-	-	-	-	89,035	17,616	106,651
Director of Public Health		135,742	-	-	-	-	135,742	-	135,742
Corporate Director Children & Family Services		135,742	-	-	-	-	135,742	27,013	162,755
Director of Finance & Transformation		135,742	-	-	-	-	135,742	26,364	162,106
Director of Legal Services and Partnerships		135,742	-	600	-	-	136,342	27,013	163,355
Statutory Director Adults Social Care (Non Exec)		131,479	-	-	-	-	131,479	26,164	157,643
		763,482	**-**	**600**	**-**	**-**	**764,082**	**124,170**	**888,252**

Note: The Director of Regeneration was in post from August 2025. The total annualised salary is £135,742

2023/24

Post Holder Information	Note	Salary (Including fees and Allowances)	Bonuses	Expense Allowances	Compensation for loss of office	Benefits in Kind	Total Remuneration excl pension contributions	Pension Contributions	Total Remuneration incl pension contributions
Director of Regeneration		72,746	-	-	-	-	72,746	12,225	84,971
Director of Public Health		132,431	-	169	-	-	132,600	-	132,600
Corporate Director Children & Family Services		132,431	-	-	-	-	132,431	26,354	158,785
Director of Finance & Transformation		132,431	-	-	-	-	132,431	24,990	157,421
Director of Legal Services and Partnerships		132,431	-	-	-	-	132,431	26,354	158,785
Statutory Director Adults Social Care (Non Exec)		106,253	-	25	-	-	106,278	21,144	127,422
		708,723	**-**	**194**	**-**	**-**	**708,917**	**111,067**	**819,984**

Note: The Director of Regeneration was in post until September 2023. The total annualised salary is £132,431.

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
£1 - £40,000	-	5	6	1	6	6	126,260	64,239
£60,001 - £80,000	-	-	2	-	2	-	149,242	-
Total included in bandings	-	5	8	1	8	6	275,502	64,239
Add: Amounts provided for in CIES not included in bandings							-	-
Total cost included in CIES							**275,502**	**64,239**

The above cost of exit packages includes pension strain costs and compensation payments also relating to school staff.

33. External Audit Costs

In 2024/25 the following costs were incurred in relation to external audit and inspection fees:

2023/24 £'000		2024/25 £'000
446	Fees payable to auditors appointed under the Local Audit and Accountability Act 2014 with regard to external audit services carried out by the appointed auditor for the year	478
27	Fees payable to auditors appointed under the Local Audit and Accountability Act 2014 for the certification of grant claims and returns for the year	28
-	Fees payable to auditors appointed under the Local Audit and Accountability Act 2014 in respect of other services provided during the year	-
473		**506**

Notes:
The fee payable for 2024/25 with regard to external audit services remains subject to confirmation by the PSAA.

34. Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency, the Dedicated Schools Grant (DSG). DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance and Early Years (England) (No 2) Regulations 2018. The Schools Budget includes elements for a range of educational services provided on a council-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2024/25 are as follows:

	2024/25			2023/24
	Central Expenditure	**Individual Schools Budget**	**Total**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Final DSG for 2024/25 before Academy and high needs recoupment			322,803	295,080
Academy and high needs figure recouped for 2024/25			(241,647)	(227,287)
Total DSG after Academy and high needs recoupment for 2024/25			81,156	67,793
Brought forward from 2023/24			2,175	1,352
Carry forward to 2024/25 agreed in advance			-	-
Agreed initial budgeted distribution in 2024/25	70,361	12,970	83,331	69,145
In year adjustments	(511)	511	-	-
Final budget distribution for 2024/25	69,850	13,481	83,331	69,145
Less Actual Central Expenditure	(74,795)	-	(74,795)	(55,674)
Less Actual ISB deployed by schools	-	(13,481)	(13,481)	(11,296)
Plus Local Authority contribution for 2024/25	-	-	-	-
In year carry forward to 2025/26	**(4,945)**	**-**	**(4,945)**	**2,175**
Plus: Carry-forward to 2025/26 agreed in advance			-	-
Transfer deficit to reserve			4,945	-
Carry forward to 2025/26			**-**	**2,175**
DSG unusable reserve at the end of 2023/24			(3,509)	(3,509)
Addition to DSG unusable reserve at the end of 2024/25			(4,945)	-
Total DSG unusable reserve at the end of 2024/25			(8,454)	(3,509)
Net DSG position at the end of 2024/25			**(8,454)**	**(1,334)**

The Council is working with the schools sector on a plan to bring spend in line with grant income and to address the deficit position.

35. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25:

2023/24		2024/25
£'000		£'000
	Credited to Taxation and Non Specific Grant Income	
28,353	Revenue Support Grant	30,231
43,296	Business Rates	45,453
89	New Homes Bonus Scheme	342
-	Covid-19	-
11,172	Other	8,161
82,910		**84,187**
	Credited to Services	
83,325	Housing Benefit Rents	83,254
5,052	Skills Funding Agency, adult education and sixth form	7,281
67,228	Dedicated Schools Grant	81,176
1,852	Pupil Premium Grant	3,321
26,198	Public Health	26,871
26,221	Better Care Fund	27,969
27,217	Social Care Grant	35,661
5,658	Extra Care PFI	5,658
11,311	Partnership for Schools	11,311
1,208	16 to 19 Funding	1,713
704	Youth Justice Grant	722
168	Construction Products Border Programme	-
38,312	Other Grants	47,506
294,454		**332,443**

The Council has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that may require the monies or property to be returned to the giver. The balances at the year-end are as follows:

31 March 2024	**Current Liabilities**	31 March 2025
£'000		£'000
	Grants Receipts in Advance (Capital Grants)	
25	Devolved Formula Capital - Partnership for Schools	25
980	Other Grants	-
-	Other Contributions	5
1,005	**Total**	**30**
	Grants Receipts in Advance (Revenue Grants)	
909	Housing Benefit Rent	849
1,508	Other Grants	3,163
6,586	Section 31 Grant	-
9,003	**Total**	**4,012**

31 March 2024	Long-term Liabilities	31 March 2025
	Grants Receipts in Advance (Capital Grants)	
103	Devolved Formula Capital - Partnership for Schools	83
-	Other Grants	-
688	Other Contributions	289
791	**Total**	**372**

The Council does not have a donated assets account.

36. Related Parties

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council, or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

The aggregation option for individual transactions has been taken on the basis that the Council has satisfied itself that all the transactions entered into have been concluded in accordance with its proper procedures for preventing undue influence.

Central Government

Central Government has statutory oversight of the general operations of the Council – it is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (eg Council Tax bills, housing benefits). Grant Income is detailed at note 35.

Members

Members of the Council have direct control over the Council's financial operating policies. The total of members' allowances paid in 2024/25 is shown in note 31.

In 2024/25, 59 elected members declared an interest in related parties (57 in 2023/24). The relevant members did not take part in any discussion or decision relating to the transactions. A full list of member's interests is available from the Guildhall, Alfred Gelder Street, Hull, HU1 2AA. It is also available to view on the Council's website, www.hullcc.gov.uk.

Officers

The Council officers' interests are listed below:

Hull & Goole Port Health Authority
David Bell, the Director of Finance and Transformation (Section 151 Officer), was Treasurer to the Authority during 2024/25 (and 2023/24).
Ian Anderson, the Council's Director of Legal Services and Partnerships, was the Clerk to the Authority during 2024/25 (and 2023/24).

Hull Maritime Foundation
David Bell was a Trustee during 2024/25 (and 2023/24).

Hull Esteem Consortium LEP Limited
Tracy Harsley was a Director during 2024/25 (and 2023/24).
Ian Anderson was a Director during 2024/25 (and 2023/24).

NHS Humber and North Yorkshire ICB
Julia Weldon was an Associate Board Member (no voting rights) during 2024/25 (and 2023/24).

Hull City Centre (BID) Limited
Garry Taylor was a Director until 28 January 2025 (and 2023/24).

Freedom Festival Arts Trust
Garry Taylor was a Director until 11 December 2024 (and 2023/24).

Information in respect of material transactions with member and officer related parties not disclosed in this Statement of Accounts, is presented below:

2023/24			2024/25	
Expenditure	Income		Expenditure	Income
£'000	£'000		£'000	£'000
51	(1)	Absolutely Cultured	-	-
1	(7)	Anlaby Park Community Library	3	(5)
-	-	Beverley Grammar School	10	-
483	(44)	Biggin Hill Academy	785	-
-	-	Charterhouse	2	-
-	-	Child Dynamix	1,464	(38)
-	-	East Riding Pensions Committee	3,036	-
25	-	Endike Community Centre	-	-
91	-	Freedom Community Trust Ltd	181	-
294	(17)	Freedom Festival Arts Trust	206	(9)
-	-	Freetown Society of Kingston upon Hull	3	-
82	-	Fruit Market LLP	4	-
-	-	Goodwin Development Trust	1,730	-
2	-	HANA (Humber All Nations Alliance)	9	-
2	-	Headscarf Revolutionaries Statue	-	-
74	-	Hessle Road Network	68	-
444	(82)	Highlands Primary School	437	(17)
360	-	Horizon Multi Academy Trust	-	-
-	-	HU4 Community Hub	3	-
406	(26)	Hull and Goole Port Health Authority	455	(3)
447	(37)	Hull BID	231	(45)
11,329	(2,122)	Hull Culture & Leisure Ltd	12,684	(2,814)
710	-	Hull CVS Ltd	-	-
35,504	(359)	Hull Esteem Consortium LEP Ltd	-	-
69	-	Hull4Heroes	-	-
-	-	Hull Male Voice Choir	-	-
538	-	Hull Resettlement Project Board	825	-
274	(3)	Hull Truck Theatre Co Ltd	272	(4)
-	(41)	Humber Bridge Board	-	-
7,161	(14)	Humberside Fire & Rescue Service	11,580	(14)
7,641	(1,996)	Humber NHS Teaching Foundation Trust	9,082	(299)
17,738	(1,784)	Humberside Police	19,012	(1,844)
48,029	(1,187)	Kingstown Works Ltd	60,254	(1,260)
2	-	New Life Support	8	-
17	-	North Carr Carers	-	-
153	-	North Eastern Sea Fisheries	-	-
842	(343)	Northcott School and Sixth Form College	826	(325)
-	-	Northern Hull Community Development Ltc	397	-
96	(29)	Pickering and Ferens Homes	10	(3)
251	-	Pickering and Newington Development Ass	-	-
-	(3)	Running Deep	-	-
-	-	Thoresby Primary School	276	(96)
1	-	Transport for the North	1	-
528	-	Unity in the Community	-	-
154	(13)	Wilberforce 6th Form College	303	(3)
-	-	Young Enterprise	2	-
133,801	**(8,109)**		**124,159**	**(6,779)**

The following amounts were due from related parties at 31 March 2025 and are included in debtors:

	2024/25
	£'000
Hull Culture & Leisure Ltd	4,045
Kingstown Works Ltd	8,702
Humberside Police	142
	12,889

The following amounts were due to related parties at 31 March 2025 and are included in creditors:

	2024/25
	£'000
Hull Culture & Leisure Ltd	3,372
Humber NHS Teaching Foundation Trust	423
Kingstown Works Ltd	7,152
Humberside Police	58
Other	17
	11,022

Of those that returned the declaration form, no other Council members, Chief Officers, nor their close relations or members of the same household have undertaken any declarable related party transactions with the Council.

Other Public Bodies

Pension Fund – see notes 42 and 43 for details of pension fund transactions during the 2024/25 financial year for the Teachers Pension Scheme, the NHS Pension Scheme and the Local Government Pension Scheme.

Entities Controlled or Significantly Influenced by the Council

Hull & East Yorkshire Local Enterprise Partnership Limited
The Hull & East Yorkshire LEP Limited ("the LEP") is a wholly owned Council company, formed to act as the legal entity for the Local Enterprise Partnership. The company itself is dormant. The Council acts as Accountable body for the LEP (as it did for its predecessor the Humber LEP), however the LEP ceased operations at 31 March 2024 when the functions transferred to the Hull & East Yorkshire Business Growth & Skills Hub.

The Hull & East Yorkshire Business Growth & Skills Hub has incurred expenditure of £1.725m in 2024/25 and income of £2.004m in 2024/25. Unused funding is carried forward to future years. Functions are likely to transfer in whole or in part to the Hull & East Yorkshire Mayoral Combined Authority during 2025/26. The LEP incurred expenditure of £1.198m and income of £1.500m in 2023/24.

Freedom Festival Arts Trust
The Freedom Festival Arts Trust was incorporated on 15 May 2013 as a not-for-profit organisation and Charity to deliver the Freedom Festival and an all-year programme of work.

The company has traded during the period ended 31 March 2025 with transactions totalling £0.206m, compared to £0.294m in 2023/24.

37. Capital Expenditure and Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under leases and PFI/PPP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

2023/24		2024/25
£'000		£'000
985,877	*Opening Capital Financing Requirement*	976,998
-	Opening balance adjustment *	50,107
	Capital investment	
127,143	Property, Plant and Equipment	154,820
-	Investment Properties	-
3,005	Intangible Assets	3,045
-	Capital Long Term Debtors	140
21,546	Revenue expenditure funded from Capital under Statute	22,134
-	Rights of Use Assets - Additions in Year	4,185
	Sources of finance	
(7,196)	Capital receipts	(7,384)
(44,656)	Government grants and other contributions	(89,874)
	Sums set aside from revenue:	
(1,095)	Direct revenue financing	(326)
(46,652)	Major Repairs Reserve Contribution	(36,387)
(49,191)	Voluntary Set aside	(8,016)
(11,783)	MRP	(11,574)
976,998	*Closing Capital Financing Requirement*	**1,057,868**
	Explanation of movements in year	
(8,879)	Increase in underlying need to borrowing (unsupported by Government financial assistance)	32,342
-	Assets acquired under finance leases	43,189
-	Assets acquired under PFI/PPP contracts	5,339
(8,879)	*Increase/(decrease) in Capital Financing Requirement*	**80,870**

*Opening Balance Adjustment is the IFRS 16 Leases implementation Right of Use Assets and PFI remeasurement opening balances.

38. Leases

From 1 April 2024, IFRS 16 Leases has been adopted by the CIPFA Code of Practice on Local Authority Accounting. The new accounting standard requires that the rights to use items acquired under all leases are recognised as assets on the Balance Sheet, together with a liability for the payments to be made for the acquisition. Previously this was only done for leases where the Council acquired substantially all the risks and rewards of ownership of the leased item (finance leases).

At the commencement of a lease, a liability is recognised for the obligation to make future payments (discounted to their present value using the interest rate implicit in the lease or (where this is not readily determinable) the Council's incremental borrowing rate. The right acquired under the lease to use the leased item is recognised as an asset, measured on the commencement date at cost based on the lease liability plus any payments made before that date.

Initial direct costs of the Council are added to the carrying amount of the asset. Liabilities are recalculated where rents change as a result of a change in an index or rate used to determine future payments. Adjustments to liabilities are matched with adjustments to the cost of the right-of-

use asset. Lease payments are apportioned between a charge for the acquisition of the right to use the property, plant or equipment which is applied to write down the lease liability, and a finance charge which is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Right-of-use assets recognised under leases are accounted for using the policies applied generally to Property, Plant and Equipment assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

The Council is not required to use council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Therefore, the Minimum Revenue Provision arrangements also apply to leased assets. Where leases are for items of low value, or the lease term is less than 12 months from commencement, amounts paid under the lease are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased item. For this purpose, the Council has determined that items with a value of less than £10k when new are low value.

Charges are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Council examines its contracts database and property portfolio on an annual basis, to assess whether new leases are classified as either operational or finance leases. In some cases the lease transaction is not always conclusive and the Council uses judgement in determining whether the lease is a finance lease arrangement (that transfers substantially all the risks and rewards incidental to ownership) or classified as an operating lease. The Council found no new finance leases in the financial reporting period and therefore considers all new leases as operating leases.

The Council as Lessee

The Council's lease contracts comprise leases of Operational Land and Buildings and Vehicles, Plant and Equipment.

Right-of-Use Asset

	Land and Buildings	Vehicles, Plant and Equipment	TiPs	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2024	36,451	21,466	6,596	64,513
Additions	-	4,185	-	4,185
Revaluations	620	-	-	620
Depreciation and amortisation	(3,723)	(3,955)	-	(7,678)
Disposals	-	-	-	-
Balance at 31 March 2025	**33,348**	**21,696**	**6,596**	**61,640**

Right of Use Assets are included within the Property Plant and Equipment values on the balance sheet. Principal repayments of £5.76m were incurred in year in relation to Right-of-Use Assets.

Transactions under Leases

The Council incurred the following expenses and cash flows in relation to leases:

	31 March 2025
	£'000
Comprehensive Income and Expenditure Statement	
Interest expenses on Lease Liabilities	2,207
Expenses related to Short Term Leases	-
Expense related to expempt lease of low value items	366
Variable lease payments not included in the measure of lease liabilities	-
Income from Subletting right-of-use assets	216
Gains or losses from Sale and Leaseback transactions	-
Cash Flow Statement	
Minimum Lease payments	7,971

Maturity Analysis of Lease Liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

	31 March 2025
	£'000
Less than one year	7,971
One to five years	27,635
More than five years	11,036
Total Undiscounted Liabilities	**46,642**

The Council as Lessor

The Council leases out property under operating leases for the following purposes:

- For the provision of community services, such as sports facilities, charitable organisations and community centres.
- For economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years, up to 75 years, are:

31 March 2024		31 March 2025
£'000		£'000
3,477	Not later than one year	3,461
7,327	Later than one year and not later than five years	7,628
61,535	Later than five years	61,682
72,339		**72,771**

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2024/25, no contingent rents were receivable by the Council (2023/24 - £nil).

39. Private Finance Arrangements and Similar Contracts

Under IFRIC 12 – Service Concession Arrangements, property used within a PFI arrangement should be recognised as an asset or assets of the local authority.

BSF Schools

General

The Council has entered into a 25 year contract with the Hull Esteem Group to design, build, finance and operate five new schools in Hull:

- Winifred Holtby / Tweendykes School – The school building includes two schools; Winifred Holtby (secondary school) and Tweendykes (special needs school). The schools opened in September 2011. Therefore, the asset and corresponding long term liability were brought onto the balance sheet during 2011/12. The Winifred Holtby / Tweendykes arrangement is included as one PFI scheme.
- Two secondary schools (Andrew Marvell Business and Enterprise College and Kingswood College of Arts) and a special needs school (Oakfield) were opened in January 2013. Asset values and corresponding long term liabilities were brought onto balance sheet during 2012/13.
- Winifred Holtby, Tweendykes and Kingswood College of Arts converted to academy status in 2013/14. Andrew Marvell Business and Enterprise College transferred to academy status in 2016/17. Assets were removed from the balance sheet in 2013/14 and 2016/17 respectively, but the liability remains on the balance sheet.
- No new schools have been built during this financial year under a PFI arrangement.

Significant Contractual Information

Significant terms of the arrangement
Market testing exercises must be completed every five years by an independent third party on behalf of the Hull Esteem Group. Should the service costs change by 5% or more, the unitary charge must be adjusted accordingly. Market testing will assess grounds maintenance, pest control, cleaning and waste management.

Should the Hull Esteem Group opt to refinance its debts and has obtained the Council's consent, the Council is entitled to a 50% share of any gains.

Rights to use specified assets
The Council has full rights to use the schools for the provision of educational services. Each school is made available for use in the following priority order: i) provision of education services, ii) community use, iii) and third party use. The contractor may enter into arrangements for third party use, subject to satisfying criteria laid out in the contract, and may be entitled to charge for such use.

Rights to receive specified assets at the end of the concession period
The schools are under the operational control of the Hull Esteem Group during the contract period, with the legal title of the land remaining with the Council throughout the contract. At the end of the contract period, the buildings will revert to the Council for nil consideration.

Renewal and termination options
The contract does not include an option to extend or renew beyond the contractual expiry date. The significant risks that the Council is exposed to under a PFI contract are changes in inflation and changes in demand for the services. There is provision within the agreement for the termination of the contracts, under certain conditions, by either the Council or by the contractor on Council default, or termination by the Council on contractor default. Compensation payments are payable upon termination and the calculation of these is determined in the contracts.

Other rights and obligations
It is anticipated that any staff employed by Hull Esteem Group or its subcontractors running the schools will have the legal right to transfer over to the Council at the end of the contract.

Other PFI Contractual Arrangements

Orchard Park Neighbourhood Integrated Service Centre

The Council entered a 25 year contract in December 2009 with the Sewell Group to provide a health centre on the Orchard Park Estate. The facility is jointly occupied with the local Primary

Care Trust. The asset and corresponding long term liability were brought onto the Balance Sheet in 2009/10, with effect from the commencement of the contract.

Extra Care Housing

The Council completed the first stage of a 25 year contract in March 2017 with Riverside Group to operate Extra Care Housing facilities at Hall Road in the City of Hull which included 65 new apartments.

In July 2017, the Council completed the second and final stage of the 25 year contract with the Riverside. The second stage introduced an additional 251 apartments.

Payments

The Council makes agreed unitary payments each year to the seven PFI schemes mentioned above for services provided. Where services are not provided or fall short of agreed standards, the Council can reduce the unitary payment by the value of the lost services. Unitary payments are calculated for future years based on an estimated inflation rate of 2.5% per annum. Payments remaining outstanding for the six schemes are as follows:

	Payment for Services	Repayment of Capital Expenditure	Lifetime Replacement Costs	Interest & Contingent Rents	Total
	£'000	£'000	£'000	£'000	£'000
Payable in 2025/26	6,324	8,087	2,294	7,231	23,936
Payable within two to five years	26,908	33,407	14,837	24,837	99,989
Payable within six to ten years	37,486	55,223	18,654	19,532	130,895
Payable within eleven to fifteen years	21,363	36,470	15,564	4,588	77,985
Payable within sixteen to twenty years	2,594	7,736	4,640	321	15,291
Payable within twenty-one to twenty-five years	-	-	-	-	-
	94,675	**140,923**	**55,989**	**56,509**	**348,096**

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed.

The liability outstanding to pay the contractor for capital expenditure incurred is as follows:

2023/24		2024/25
£'000		£'000
144,639	Balance outstanding at start of year	137,161
(7,478)	Payments during the year	(7,341)
-	Capital expenditure incurred in the year	-
-	Remeasurement of liability	11,103
-	Other movements	-
137,161	Balance outstanding at year end	**140,923**

40. Impairment Losses and Other Revaluation Movements

Hull City Council Property Services led a review of assets subject to impairment due to consumption of economic benefit. A number of assets were identified for review but no impairment was required except for Housing Regeneration assets and Council Dwellings.

The significant assets which were subject to an impairment review and subsequently reduced in value and other revaluation movements are as follows:

2023/24		2024/25
£'000		£'000
-	Council Dwellings	-
52,072	Capital spend not adding value (HRA)	72,006
52,072	Total Impairment losses and Revaluation movements	**72,006**

41. Capitalisation of Borrowing Costs

Borrowing costs are interest and other costs that the Council incurs in connection with the borrowing of funds. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use of sale. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset.

The Council will begin capitalising borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalisation is when the Council first meets all of the following conditions:

- It incurs expenditures for the asset
- It incurs borrowing costs, and
- It undertakes activities that are necessary to prepare the asset for its intended use of sale

The Council will cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

The Council has capitalised borrowing costs during the financial year. The amount of borrowing costs capitalised in 2024/25 is as follows;

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
2019/20						
Rate (%)	3.07%	3.07%	3.07%	3.07%	3.07%	3.07%
Amount (£'000)	313	313	201	201	201	201
2020/21						
Rate (%)		2.82%	2.82%	2.82%	2.82%	2.82%
Amount (£'000)		204	152	133	133	131
2021/22						
Rate (%)			2.59%	2.59%	2.59%	2.59%
Amount (£'000)			221	156	156	86
2022/23						
Rate (%)				2.92%	2.92%	2.92%
Amount (£'000)				626	626	162
2023/24						
Rate (%)					3.12%	3.12%
Amount (£'000)					914	500
2024/25						
Rate (%)						3.39%
Amount (£'000)						936
Total	**313**	**517**	**574**	**1,116**	**2,030**	**2,016**

42. Pension Schemes Accounted for as Defined Contribution Schemes

Teachers' Pension Scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme. Administered by the Department for Education, it provides teachers with defined benefits upon their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

In 2024/25 the Council paid £2.264m in respect of teachers' pension costs representing a contribution rate of 28.68%. In 2023/24 the Council paid £1.767m representing a contribution rate of 23.68%. It is estimated in 2025/26 the council will pay £3.135m in contributions. In addition, the Council is responsible for the pension payments relating to added years' benefits previously awarded.

The scheme is a defined benefit scheme, but it is not possible for the Council to identify a share of the underlying liabilities in the scheme attributable to its own employees, therefore for the purposes of the Statement of Accounts it is accounted for on the same basis as a defined contribution scheme.

NHS Staff Pension Scheme

During 2013/14, NHS Staff transferred to the Council. These staff maintained their membership in the NHS Pension Scheme. The Scheme provides staff with specified benefits upon their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is an unfunded defined benefit scheme. However, the Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2024/25, the Council paid £0.024m to the NHS Pension Scheme in respect of former NHS staff retirement benefits, representing 14.38% of pensionable pay. In 2023/24, the Council paid £0.025m, representing 14.38% of pensionable pay. There were no contributions remaining payable at the year end. It is estimated in 2025/26 the council will pay £0.043m in contributions

43. Defined Benefit Pension Schemes

Local Government Pension Scheme

As part of the Council's terms and conditions of employment, retirement benefits are offered to its non-teaching employees through the East Riding of Yorkshire Council's pension scheme (the Local Government Pension Scheme) which provides members with defined benefits related to pay and service. This is a funded final salary scheme to which both the Council and its employees pay contributions calculated at a level intended to balance the pension liabilities with investment assets. The contribution rate is determined by the County Fund's Actuary based on triennial valuations, and under Pension Fund Regulations the contribution rates are set to meet 100% of the overall liabilities of the fund.

The latest triennial valuation was as at the 31 March 2022 and the Actuary indicated a minimum primary contribution rate of 19.9% of contributing members plus a secondary sum of £2.5m per annum, from 1 April 2023. This rate will apply until 2025/26.

2023/24		2024/25
£'000		£'000
	Comprehensive Income and Expenditure Statement	
	Net Cost of Services:	
	Service cost comprising:	
29,209	- current service cost	28,526
4	- past service costs	155
-	- (gains)/losses from settlements	-
	Financing and Investment Income and Expenditure	
93	- Net interest expense	4,214
29,306		**32,895**
	Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	
	Remeasurement of the net defined benefit liability comprising:	
56,301	- Return on plan assets (excluding the amount included in the net interest expense	(8,684)
8,847	- Actuarial gains and losses arising on changes in demographic assumptions	2,520
63,516	- Actuarial gains and losses arising on changes in financial assumptions	214,258
90,629	-Changes in the effect of the asset ceiling	281,286
(42,848)	- Other	15,680
(268,411)	- effect of Asset Ceiling Adjustment on net asset/Liability	(499,139)
(91,966)	***Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement***	**5,921**
	Movement in Reserves Statement:	
(29,306)	- Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post employment benefits in accordance with the Code	(32,895)
	Actual amount charged against the General Fund Balance for pensions in the year:	
30,118	- employers' contributions payable to scheme	32,459
3,786	- retirement benefits payable to pensioners	3,842
33,904		**36,301**

Assets and Liabilities in Relation to Post-Employment Benefits:

2023/24		2024/25
£'000		£'000
	Reconciliation of fair value of the scheme (plan) assets	
1,508,228	Opening balance at 1 April	1,617,994
-	Opening balance adjustment	-
71,224	Interest income	77,296
	Remeasurement gain / (loss)	
56,301	Return on plan assets (excluding amounts included in the net interest expense)	(8,684)
-	Other	-
33,904	Employer Contributions	36,301
8,818	Contributions by scheme participants	9,447
-	Entity combinations	-
(60,481)	Benefits paid	(58,980)
-	Settlements	-
1,617,994	**Closing balance at 31 March**	**1,673,374**
	Reconciliation of present value of scheme liabilities (defined benefit obligation)	
(1,425,970)	Opening balance at 1 April	(1,441,212)
-	Opening balance adjustment	-
(29,209)	Current Service Cost	(28,526)
(67,207)	Interest Cost	(68,635)
(8,818)	Contributions by scheme participants	(9,447)
	Remeasurement gain / (loss)	
8,847	Actuarial gains/losses arising from changes in demographic assumptions	2,520
63,516	Actuarial gains/losses arising from changes in financial assumptions	214,258
(42,848)	Other	15,680
(4)	Past service costs	(155)
-	Entity combinations	-
60,481	Benefits paid	58,980
-	Settlements	-
(1,441,212)	**Closing balance at 31 March**	**(1,256,537)**

* It is estimated in 2025/26 the council will pay £42.677m in contributions

Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit scheme is as follows:

2023/24		2024/25
£'000		£'000
1,617,994	Fair value of employer assets	1,673,374
(1,399,630)	Present value of funded liabilities	(1,220,399)
(41,582)	Present value of unfunded liabilities	(36,138)
(268,411)	Asset Ceiling Adjustment	(499,139)
(91,629)	*	**(82,302)** *

* The Balance Sheet entry for Other Long Term Liabilities at 31 March 2025 includes £0.097m of outstanding mortgages and £0.567m in relation to Lease Liabilities. (2023/24 total of £91.726m includes £0.097m of outstanding mortgages).

Asset Ceiling

Following the pensions valuation by the Councils actuary, Hymans Robertson LLP, the Council determined that the fair value of its pension plan assets outweighed the present value of the plan obligations at 31 March 2025 resulting in a pension plan asset. IAS19 Employees Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. The Council's actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions.

The Council has therefore limited the Pension asset recognised in its balance sheet to the asset ceiling. The adjustment has been recognised within other comprehensive income and expenditure of the CIES.

Asset Ceiling Adjustment Reconciliation

2023/24		2024/25
£'000		£'000
86,519	Opening Effect of Asset Ceiling	268,411
-	Opening balance adjustment	-
4,110	Interest on the effect of Asset Ceiling	12,875
177,782	Changes on the effect of Asset Ceiling	217,853
268,411	Effect of Asset Ceiling at 31 March	**499,139**

Actuarial Confirmation

In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. The High Court ruling has since been appealed. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

The actuarial confirmations for all local government pension scheme (LGPS) amendments have not yet been located. The update received from PwC in July 2024 included the following statement from GAD 'We believe a certificate will have been prepared in respect of the 2008 reforms, but the initial electronic search for this has meant paper files would now need to be retrieved from archive storage to try and locate this'.

On 5 June 2025, the Government announced that it will 'introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.' Once the legislation has been passed, affected pension schemes will be able to obtain written confirmation from an actuary about the benefit changes that were previously made and apply that confirmation retrospectively without making the plan amendments void, if the changes met the necessary standards

Given this announcement, it is unlikely that that there will be an impact on the LGPS liabilities, however management will continue to monitor developments.

Period ended 31 March 2024					Period ended 31 March 2025			
Quoted prices in active markets	Quoted prices not in active markets	Total	% of Total Assets		Quoted prices in active markets	Quoted prices not in active markets	Total	% of Total Assets
£'000	£'000	£'000			£'000	£'000	£'000	
				Equity Securities:				
-	-	-	0%	Consumer	-	-	-	0%
-	-	-	0%	Manufacturing	-	-	-	0%
-	-	-	0%	Energy and Utilities	-	-	-	0%
-	-	-	0%	Financial Institutions	-	-	-	0%
-	-	-	0%	Health and Care	-	-	-	0%
-	-	-	0%	Information Technology	-	-	-	0%
-	-	-		Other	-	-	-	0%
				Debt Securities:				
-	-	-	0%	Corporate Bonds (investment grade)	-	-	-	0%
31,715	53,210	84,925	5%	Corporate Bonds (non-investment grade)	37,338	62,644	99,982	5%
27,966	-	27,966	2%	UK Government	32,924	-	32,924	2%
13,116	-	13,116	1%	Other	15,441	-	15,441	1%
				Private Equity:				
18,963	81,892	100,855	6%	All	22,325	96,411	118,736	6%
				Real Estate:				
16,765	117,612	134,377	8%	UK Property	19,738	138,463	158,201	8%
-	-	-	0%	Overseas Property	-	-	-	0%
				Investment Funds and Unit Trusts:				
810,130	-	810,130	50%	Equities	953,762	-	953,762	50%
125,826	13,412	139,238	9%	Bonds	148,133	15,790	163,923	9%
-	-	-	0%	Hedge Funds	-	-	-	0%
-	-	-	0%	Commodities	-	-	-	0%
12,275	99,694	111,969	7%	Infrastructure	14,451	117,369	131,820	7%
121,203	55,590	176,793	11%	Other	142,692	65,446	208,138	11%
				Derivatives:				
-	-	-	0%	Inflation	-	-	-	0%
-	-	-	0%	Interest rate	-	-	-	0%
-	-	-	0%	Foreign Exchange	-	-	-	0%
-	-	-	0%	Other	-	-	-	0%
				Cash and Cash Equivalents:				
17,813	-	17,813	1%	All	20,971	-	20,971	1%
1,195,772	**421,410**	**1,617,182**	**100%**	**Totals**	**1,407,775**	**496,123**	**1,903,898**	**100%**

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The pension fund liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, based on the latest full valuation of the scheme as at 31 March 2022.

Significant assumptions used by the actuary have been:

31 March 2024		31 March 2025
	Mortality assumptions (in years):	
	- Longevity at 65 for current pensioners:	
20.6	- Men	20.5
23.5	- Women	23.5
	- Longevity at 65 for future pensioners:	
21.4	- Men	21.2
25.0	- Women	25
	Rate of inflation	
2.80%	Rate of increase in salaries	2.80%
2.80%	Rate of increase in pensions	2.80%
4.80%	Rate for discounting scheme liabilities	5.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below based on reasonably possible changes to the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity ,for example, assume that life expectancy increases or decreases for men and women. In practice this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2023/24.

	Approximate % Increase to Employer Liability	Approximate Monetary Amount (£000)
0.5% decrease in Real Discount Rate	2%	20,206
0.5% increase in the Salary Increase Rate	0%	961
0.5% increase in the Pension Increase Rate	2%	19,802

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contribution at a constant rate. The Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2025. The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public services.

The weighted average duration of the defined benefit obligation for scheme members is 16 years.

44. Contingent Liabilities

Potential Grant Clawback Arising from the Council Role as Accountable Body

The Council is acting as the accountable body in respect of a number of grant funded regeneration projects. Such regeneration projects included the Gateway Programme and Preston Road New Deal for Communities and Local Enterprise Partnership. In the event of any related grant clawback, the Council is therefore liable to fund any excess expenditure incurred. In addition, there are grants received directly by the Council for which there is the potential for grant clawback if grant conditions are not met.

In recent years no clawback has been payable and it is not possible to accurately quantify any future potential payments.

Municipal Mutual Insurance Company

Municipal Mutual Insurance Company (MMI), which provided insurance to the Council until 1992, is in liquidation. The solvency of MMI was largely dependent on the decision of the Supreme Court regarding the employer's liability trigger litigation. The judgement of the Supreme Court was handed down on 28 March 2012. The finding of the Court was that the insurer on risk at the time of negligent exposure to asbestos is liable to pay compensation to an employee who contracts mesothelioma as a result of the exposure.

Significant numbers of outstanding claims are in respect of mesothelioma and MMI's financial position will depend on the number of mesothelioma claims it faces and the cost of those claims in the future. The Directors indicated, in the 30 June 2011 Financial Statements, that if as has happened, the Supreme Court decision went against MMI, they would be unable to foresee a position in which future investment income would be adequate to achieve payment of agreed claims in full and that appropriate alternative arrangements, which might involve the triggering of the Scheme of Arrangement, would be made.

Hence, as the Directors considered insolvency unavoidable, the scheme of arrangement was triggered on 1 January 2014 and a 15% levy charged based on the amount paid to the scheme creditors from 30 September 1993. As a result, the Council paid over £2.115m on 14 January 2014 to meet the Council's liability. During 2015/16, following a further review of the company's financial position, the Directors increased the levy to 25%. The Council has provided for a further payment of £1.441m to fund the additional levy.

The Company prepares a run-off forecast to assist the Scheme Administrator in the setting of the Levy and Payment Percentage rate. As per the latest MMI annual report and accounts of June 2023:

> The run-off forecast is prepared using low, mid and high actuarial projections so a range of possible outcomes can be shared with the Creditors' Committee. These outcomes do not constitute an upper or lower ultimate range of outcomes but represent a potential range of possible outcomes based on flexed assumptions. The run-off forecast prepared for 2023/24 indicates that under the mid-IBNR forecast MMI's assets are sufficient to pay all its forecast expenses and insurance liabilities at the current Payment Percentage of 75%

The Scheme Administrators have advised that it is possible that a further levy may be required to meet future costs but at the moment none is payable and as such any further liabilities cannot be reliably quantified.

45. Contingent Assets

Housing Market Renewal Schemes

The council has an equity loan product that is available to assist our regeneration activities across the city. On redemption of individual loan agreements, a proportion of the principal and any capital gain realised may become repayable to the Council, subject to the fulfilment of liabilities in relation to administration fees due to Places for People Homes Ltd. Any subsequent expenditure from this receipt may be subject to approval of the Homes and Communities Agency.

The Council has entered into development agreements with partners to develop various sites across the whole city as part our Housing Growth and Regeneration programmes. In the event of any of the individual sites achieving overall profit an overage may become payable to the Council. On some subsequent expenditure on specific schemes from this receipt may be subject to approval of the Homes and Communities Agency.

It is currently not practical to assess or estimate the potential capital gains or clawback which may become due to the Council if circumstances change which result in cash inflows.

46. Nature and Extent of Risks Arising from Financial Instruments

Key risks

The Council's activities expose it to a variety of financial risks. These risks are:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council.
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments.
- Re-financing risk – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- Market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

Overall procedures for managing risk

The Council's overall risk management programme focus on the unpredictability of financial markets, and seeks to minimise potential adverse effects on the resources available to fund services. The procedures for risk management are set out through a legal framework based on the Local Government Act 2003 and associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and investment guidance issued through the Act. Overall, these procedures require the Council to manage risk in the following ways:

- By formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- By the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution;
- By approving annually in advance prudential and treasury indicators for the following three years limiting:
    - The Council's overall borrowing;
    - Its maximum and minimum exposures to fixed and variable rates;
    - Its maximum and minimum exposures to the maturity structure of its debt;
    - Its maximum annual exposures to investments maturing beyond a year.
- By approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with Government guidance;

These are required to be reported and approved at or before the Council's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual treasury management strategy for 2024/25 which incorporates the prudential indicators was approved by Council on 22/02/24 and is available on the Council website. The key issues within the strategy were:

- The Authorised Limit for 2024/25 was set at £1,088m, revised to £1,083m as part of the mid-year review. This is the maximum limit of external borrowings or other long term liabilities.
- The Operational Boundary was expected to be £996m, revised to £974m as part of the mid-year review. This is the expected level of debt and other long term liabilities during the year.

- The maximum amounts of fixed and variable interest rate exposure were set based on the Council's net debt.
- The maximum and minimum exposures to the maturity structure of debt.

Risk Management is carried out by a central treasury team, under the policies approved by the Council in the annual treasury management strategy. The Council maintains written principles for overall risk management, as well as written policies (Treasury Management Practices – TMPs) covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. These TMPs are a requirement of the Code of Practice and are reviewed periodically.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied after this initial criteria is applied. Details of the Investment Strategy can be found on the Council's website.

The Council does not apply normal commercial principles to credit risk its customers but follows the following principles in regard to making deposits with banks and building societies. Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings with parameters set by the Council.

The Treasury Management Policy for 2024/25 was approved by Council on 22nd February 2024. The following paragraphs are based on the approved Treasury Management Policy.

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure that.

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Director of Finance and Transformation will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either Specified or Non-Specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

Credit rating information is supplied by MUFG Corporate Markets Treasury Ltd (formerly Link Asset Services), the Council's treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks

(notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applying to a counterparty at the minimum Council criteria will be considered for suspension from use, with all others being reviewed in light of market conditions.

On occasions ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest.

The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is as follows:

- Banks 1 – a good credit quality – the Council will only use banks which:
    - are UK banks only,
      and have, as a minimum, the following Fitch credit ratings:
        - Short term – F1
        - Long term – A-

- Banks 2 – part nationalised UK bank – Royal Bank of Scotland. This bank can be included if they continue to be part nationalised or they meet the rating in Banks 1 above.

- Banks 3 – The Council's own banker (Natwest Bank) for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.

- Bank subsidiary and treasury operation – The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.

- Building societies – The Council will use all societies which meet the ratings for banks as outlined above.

- Money Market Funds – AAA rating.

- UK Government (DMADF)

- Local authorities.

Due care will be taken will be taken to consider the group exposure of the Council's investments. In addition limits in place above will apply to a group of companies.

Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover specified and non-specified investments):

- Only UK Banks
- Banks and building societies with a minimum rating of F1+ /AA- to have a limit of £30m (part nationalised banks £40m), with an investment period of up to 1 year
- Banks and building societies with a minimum rating of F1/A to have a limit of £20m (part nationalised banks £25m), with an investment period of up to 1 year
- Banks and building societies with a minimum rating of F1/A- to have a limit of £10m (part nationalised banks £15m), with an investment period of up to 1 year
- Council's own banker (if not meeting the above criteria) to have a limit of £5m, with an investment limit of 1 day
- UK Government (DMADF) to have an unlimited limit, with an investment period of up to 6 months

- Local Authorities to have a limit of £15m per authority, with an investment period of up to 1 year
- Money Market Funds to have a limit of £15m per fund, with an investment period of up to 1 year (liquid funds).

Given the over riding objective of maintaining the security of the Council's cash it is currently not considered feasible or advantageous to invest in alternative non bank deposits i.e. government gilts, treasury bonds, given the nature and volatility of these tradeable investments, and given the previous poor performance of external fund managers.

The Council applies the creditworthiness service provided by MUFG. This service employs a sophisticated modelling approach utlilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings
- Sovereign ratings to select counterparties from only the most creditworthy countries.

Credit Default Swap (CDS) is a contract between two counterparties, which basically gives protection, or insurance, in case of credit default. The payments involved in the contract are based on a spread currently traded in the market. The spread of CDS indicates the market perception of the likelihood of a credit event or default occurring. The higher the spread the more likely the market considers an event of default will occur.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands:

- Blue 1 year (only applies to nationalised or semi-nationalised UK banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour Not to be used

MUFG creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings. The Council is satisfied that this service now gives a much improved level of security for its investments. It is also a service which the Council would not be able to replicate using in house resources.

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of short term rating F1, long term rating A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored on a weekly basis. The Council is alerted to changes to ratings of all three agencies through its use of the Capita creditworthiness service.

- If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

- In addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

If financial institutions are upgraded in rating and therefore meet the Council's criteria as defined, then committee approval will be sought prior to inclusion on the counterparty list.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence as at the 31 March 2025 that this was likely to crystallise.

The following analysis summarises the Council's potential maximum exposure to credit risk on other financial assets, based on experience of default and adjusted to reflect current market conditions. The amounts have not been subject to impairment in 2024/25, however, the Council has made provision to reflect the potential non-collection of some of the customer related debt. The amounts relating to customer debt have been adjusted to reflect the provision made.

Amount 31 March 2024		Amount 31 March 2025
£'000		£'000
	Deposits rated	
14,666	AAA	26,909
-	AA	-
(7,850)	A	(9,074)
-	BBB	-
-	N/A	-
37,012	Customers *	23,883
43,828	**Total**	**41,718**

* Note – excludes statutory debtors such as Council Tax / NNDR

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of it's counterparties in relation to deposits and bonds.

The Council does not generally allow credit for customers.

Collateral – During the reporting period the Council held no collateral as security.

Liquidity risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The maturity analysis of financial assets is as follows:

Maturity analysis of financial assets, excluding sums due from customers

31 March 2024		31 March 2025
£'000		£'000
6,816	Less than one year	20,713
-	Between one and two years	-
-	Between two and three years	-
-	More than three years	-
6,816	**Total**	**20,713**

Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities is as follows:

Maturity analysis of financial liabilities

31 March 2024		31 March 2025
£'000		£'000
200,640	Less than one year	204,002
12,846	Between one and two years	69,774
73,750	Between two and five years	105,559
104,628	Between five and ten years	96,925
51,830	Between ten and fifteen years	46,111
402,075	More than fifteen years	398,251
845,769	**Total**	**920,622**

* Note – The above maturity analysis is adjusted to reflect the callable dates of market debt, as required by the Treasury Management Code of Practice.

Market Risk

Interest rate risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects.

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Account will rise.
- Borrowings at fixed rates – the fair value of the liabilities borrowing will fall (no impact on revenue balances).
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Account will rise.

- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance, subject to influences from Government grants (i.e. HRA). Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

According to this assessment strategy, at 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

31 March 2024		31 March 2025
£'000		£'000
2,617	Increase in interest payable on variable rate borrowings	1,394
(631)	Increase in interest receivable variable rate investments	(540)
-	Increase in government grant receivable for financing costs	-
1,986	**Impact on Surplus or Deficit on the Provision of Services**	**854**
-	Decrease in fair value of fixed rate investment assets	-
-	**Impact on Other Comprehensive Income and Expenditure**	**-**
9,257	**Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)**	**32,857**

Price Risk

The Council does not invest in equity shares or marketable bonds and thus has no exposure to losses arising from movements in the prices of shares.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

47. Heritage Assets: Further information on the Museum's Collections

Hull Museums

Large parts of the collections at Hull Museums are of national and even global significance. Some are of such importance that they have been granted National Designated status, meaning they are recognised by the Government as being of very high cultural and historic importance when compared with other museum collections across the country. These include the prehistoric objects at Hull & East Riding Museum, slavery, maritime and early vehicle collections. Overall, they are

outstanding for a local authority museum service and as such, reflect the status of Hull's Museum service in the UK.
The value of the museum collections is closely linked with the standards of collections management across the service. It is essential that there are enough qualified staff and resources to provide adequate care for the objects in the long-term. Items can quickly deteriorate through poor environment, unsuitable storage conditions, inadequate security or unsuitable display methods. The documentation of the collections is on-going and is slowly improving the information kept about each object. The value of an item is often associated with its provenance (artist/connection to a historical event/previous owner) and we are uncovering these links as we document, meaning objects where previously no provenance had been identified, have increased in value through research.

The values are held at historical cost. The museum service does not have the resources to be able to value the collections in any detail, as this is an enormous undertaking with 173,902 items on the database and still with a large number to document.

Hull and East Riding Museum

The Archaeology Collections of Hull Museums are regarded as one of the foremost in the country. The founder collection is that of the 19th century archaeologist, J. R. Mortimer, encompassing Neolithic, Bronze Age and Anglo-Saxon grave-goods, derived from 360 barrows on the Yorkshire Wolds. The finds are accompanied by Mortimer's detailed site records.

The prehistory of the region is also represented by the world-famous objects including the Roos Carr figures, the group of early Bronze Age boats from North Ferriby and the Iron Age Hasholme Boat. Material from the 'Arras Culture' cemetery, and settlement at Garton/Wetwang, are in constant demand by researchers from around the world.

From the Roman period come the stunning mosaics from Rudston and Brantingham, together with archives from recent large-scale projects such as the roadside settlements at Shiptonthorpe and Hayton. Nationally important collections from the medieval period include the Anglo-Saxon cremation cemetery at Sancton and archives from urban excavations in Hull and Beverley.

There is a large collection of natural history specimens, including mounted birds and animals, insects, shells and geology.

Collection covers:

Archaeology:

- Palaeolithic, Mesolithic, Neolithic, Bronze Age and Iron Age
- Roman
- Anglo-Saxon
- Medieval and Post-Medieval
- Eastern Mediterranean
- Numismatics

Natural History:

- Coleoptera
- Lepidoptera
- Birds – mounted and non-mounted
- Birds eggs
- Mammals – mounted and un-mounted
- Mammals – heads (mounted)
- Herbaria
- Conchology
- Fishes – mounted

Geology:

- Palaeontology

- Petrology
- Mineralogy
- Hull University Collection – mixed

Hands on History Museum

Housed in the Old Grammar School which dates back to 1583, this collection comes under the heading of both social history and archaeology. There is a large general collection of social history items mainly dating from the 20th century, with some 19th century additions. These items are used to tell the story of Hull people and as a visual resource for school groups. The replica furniture from the tomb of Tutankhamun made in 1922 after the discovery of the tomb in Egypt is unique and can be seen displayed on the first floor.

There is a large costume, doll and textile collection stored at the Museum, many of national importance, such as the Madam Clapham items which were made in Hull, and William Wilberforce's clothes. Many are 19th century, some 20th century and a few very early examples.

Collection covers:

- Social History
- Dolls
- Costume and textiles
- Egyptology

Maritime Museum

Based in the city's Victorian Dock Offices, Hull's Maritime Museum houses collections relating to both Hull's and the country's maritime history. Its key collection is its internationally significant whaling collection, which includes natural history specimens, a North Atlantic Whale Skeleton, whaling tools, log books and what is believed to be the largest collection of scrimshaw outside the U.S.

Other key collections include: maritime art, including work by artists of national significance such as John Ward, Henry Redmore and Harry Hudsen Rodmell, (who painted scenes for famous shipping posters); ship models; items linked to the Wilson Line; collections relating to Hull's Trinity House; items linked to Hull's docks and merchant shipping; items linked to Hull's fishing industry; Inuit material from the 18th and 19th centuries; early navigation equipment; and an extensive photographic collection including the Cartlidge collection.

Collection covers:

- Whaling
- Fishing
- Merchant Shipping
- Maritime History
- Maritime Community History
- Maritime Art

The Maritime Museum is currently closed while it is undergoing a major refurbishment as part of the investment in museums scheme, it is scheduled to reopen in 2026.

Streetlife Museum

The Streetlife Museum of Transport tells a unique story of two hundred years of transport history and its social impact. The collection can be traced back to 1923 and the vision of Hull's first curator, Thomas Sheppard. Respected widely, he was instrumental in founding what is considered to be the first publicly-owned transport collection in the country. The early years of the collection included acquisition of ten veteran cars from the private Motor Museum in Knightsbridge and a selection of horse-drawn carriages from families and businesses in East Yorkshire.

The collection includes a State Coach from 1860 owned by the Duke of Yarborough, an 1820 Britzschka, used on the Grand Tour, an 1895 Wagonette-Brake and a rare three-wheeled Hansom

cab, reportedly used by King Edward VII. There are examples from the earliest days of motoring with cars propelled by steam, electricity and petrol. Also included are an 1899 English Daimler, previously owned by George Cadbury, and a very rare 1898 Panhard et Levassor Motor Wagonette; an example of the first car model to be built as a car, rather than a converted horse-drawn carriage. There are extensive collections of public transport, including three trams and three buses.

Collection covers:

- Bicycles
- Horse-drawn carriages
- Motorcycles
- Motor cars
- Public transport
- Railways
- Equine material
- Aviation
- Street furniture

Guildhall Collection

The collection reflects the corporate and local history of Hull, of particular significance is its collection of silver, with key pieces dating from the 17th century through to the modern day.

Collection covers:

- Paintings
- Sculpture
- Prints
- Ceramics
- Glass
- Silver
- Furniture
- Photographs
- Hull Tapestry
- Associated ephemera

Historical Buildings

Wilberforce House Museum

During its history, the house has been a private home, a bank and a commercial office for a seed and cake merchant. Bought by Hull Corporation in 1903, the museum reflects the lasting legacy of its most famous resident, William Wilberforce, the slave-trade abolitionist. Wilberforce was born in the house on 24 August 1759.

Highlights of the collection include the personal diary of William Wilberforce, written between the years 1814 – 1823, two hundred letters written by William Wilberforce, Wilberforce's personal library, the Brookes ship model used by Wilberforce during the Parliamentary committees in the late eighteenth century, items relating to the East Yorkshire Regiment, and a large collection of drawings by the important local artist F. S. Smith showing early twentieth century scenes of Hull and the surrounding area.

Collection covers:

- Wilberforce archives, collections and library
- Anti-slavery collections
- Ethnography
- Black, minority, ethnic and community history
- Ceramics
- Fine art

- Hull and East Riding clock collection
- Hull furniture
- Hull silver

Historical Vessels

Spurn Lightship

The Spurn Lightship (LV No. 12) is a light vessel (ie. a ship used as a lighthouse) currently anchored in Hull Marina. The ship was built in 1927 and served for 48 years as a navigation aid in the approaches of the Humber Estuary, where it was stationed 4½ miles east of Spurn Point. The light ship was decommissioned in 1975 and bought and restored by Hull City Council in 1983 before being moved to Hull Marina as a museum in 1987. Following a 14-month restoration, the Spurn Lightship returned to Hull Marina on 9 March 2023, and moved to its new, permanent berth on Hull Marina on Tuesday 27 February 2024. Final elements need completing to the berth and the area adjacent to the ship before it is ready to open to visitors.

Collection covers:

- Objects and archives relating to the Spurn Lightship No. 12
- Personal histories of people relating to the Spurn Lightship
- Display items which enhance the historic context of the ship

Arctic Corsair

The Arctic Corsair is the last survivor of Hull's massive 'Sidewinder' trawling fleet. Built in Beverley by Cook, Welton and Gemmell in 1960 for the Boyd Line, in 1973 the Arctic Corsair broke the world record for the landing of Cod and Haddock from the White Sea. The extension of Iceland's fishing limits to 200 miles in 1975 saw the Arctic Corsair involved in the cod wars, during which she was rammed by an Icelandic gun boat. The Arctic Corsair was converted to Pelagic fishing in 1978 before being laid up in Hull's St. Andrews Dock in 1981. In 1985 she was converted back to conventional fishing and made a record breaking return to trawling. However, by 1988 she was again laid up in dock. Her registration was closed and she was renamed the Arctic Cavalier.

After lying idle in Hull for 5 more years the ship was purchased by Hull City Council in 1993 and renamed the Arctic Corsair once more. The Arctic Corsair moved from its original location for the first time in 20 years on Sunday 4 August 2019 to allow for flood prevention works along the River Hull. It is currently being restored by Dunston's Ship Repairs in Hull and expected to open to visitors at the North End Shipyard in 2026.

North End Shipyard

The North End Shipyard is currently undergoing major refurbishment, and a new bespoke visitor centre will be situated alongside the dock. Offering increased access to the Arctic Corsair, the Passivhaus building will be one of the most energy efficient in the cultural sector. It will contain classroom and specialist exhibition space, and celebrate the history and significance of the area in the maritime story of Hull's Old Town. It is expected to open in 2026.

Statues and Monuments

The Council has a number of statues and monuments located across the city.

City Hall Organ

The City Hall organ was built by the Hull firm of Foster and Andrews in March 1911.

Further information on assets held within the Museums Collections and how to access these collections can be obtained from the Council's website, www.hullcc.gov.uk/museumcollections.

48. Trust Funds

The Council acts as trustee for various bequests and charitable funds as summarised below. The assets belong to the trustees, are held in trust and do not belong to the Council. As such, they are not included in the principal statements of the Council.

Funds for which Kingston Upon Hull City Council acts as sole trustee:

2024/25	**Income**	**Expenditure**	**Assets**	**Liabilities**
	£'000	**£'000**	**£'000**	**£'000**
The Ferens Art Gallery Set up in 1919 for the exhibition of works of art in perpetuity	84	312	115,973	6
The Ferens Endowment Fund A proportion of its income contributes towards the upkeep of the Ferens Art Gallery building, whilst the balance of the income is used to purchase exhibits.	242	169	9,398	42
Other The other trusts are mainly for the wellbeing of the inhabitants of the City of Kingston upon Hull.	8	5	10,479	-
Total as at 31 March 2025	**334**	**486**	**135,850**	**48**

2023/24	**Restated**			
	Income	**Expenditure**	**Assets**	**Liabilities**
	£'000	**£'000**	**£'000**	**£'000**
The Ferens Art Gallery	3	256	115,619	5
The Ferens Endowment Fund	225	89	9,386	42
Other	8	7	10,623	-
Total as at 31 March 2024	**236**	**352**	**135,628**	**47**

Other funds which the Council has an interest:

2023/24		**2024/25**
£'000		**£'000**
	Capital Value of the Fund	
669	Frances & Cyril Bibby Bequest	720
76	Hull Maritime Foundation	77
17,785	The James Reckitt Library Endowment Fund	17,670
66	William Wilberforce Lecture Trust Fund	69
389	Others	385
18,985	**Total**	**18,921**

HRA INCOME AND EXPENDITURE STATEMENT

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework and this may be different from the accounting cost. The increase or decrease in the year, on the basis upon which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2023/24		Note	2024/25
£'000			£'000
	Expenditure		
27,176	Repairs and Maintenance		28,819
27,605	Supervision and Management		29,763
1,222	Rents, Rates, Taxes and Other Charges		1,292
11,092	Depreciation of Non-current Assets		14,384
59,996	Impairment of Non-current Assets		74,076
45	Debt Management Costs		36
927	Movement in the provision for doubtful debt		589
128,063	Total Expenditure		148,959
	Income		
(98,059)	Dwelling Rents (Gross)		(105,095)
(976)	Non-Dwelling Rents (Gross)		(974)
(4,238)	Charges for Services and Facilities		(4,152)
-	Dwelling Revaluation Increases		(198,650)
(2,315)	Contributions towards Expenditure		(2,407)
(105,588)	Total Income		(311,278)
22,475	**Net Expenditure or Income of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement**		**(162,319)**
376	HRA services share of Corporate and Democratic Core		402
22,851	**Net Income for HRA Services**		**(161,917)**
	HRA share of the operating income and expenditure included in the whole authority Comprehensive Income and Expenditure Statement		
(1,005)	(Gain) or loss on sale of HRA non-current assets		914
7,405	Interest payable and similar charges		5,802
(3,101)	Interest and investment income		(1,472)
(2,778)	Capital Government Grants and Contributions		(19,955)
11	Pensions interest cost and expected return on pensions assets	8	404
23,383	**(Surplus) or deficit for the year on HRA services**		**(176,224)**

MOVEMENT ON THE HRA STATEMENT

2023/24		2024/25
£'000		£'000
(3,750)	Balance on the HRA at the end of the previous year	(3,750)
23,383	(Surplus) or deficit for the year on HRA Income and Expenditure Statement	(176,224)
(27,868)	Adjustments between accounting basis and funding basis under statute	173,084
(4,485)	Net (increase) or decrease before transfers to (or from) reserves	(3,140)
4,485	Transfers to or (from) earmarked reserves	3,140
-	(Increase) or decrease in year on the HRA	-
(3,750)	**Balance on the HRA at the end of the year**	**(3,750)**

NOTES TO THE HOUSING REVENUE ACCOUNT

1. Movement of HRA operational and non-operational assets

Movements in 2024/25	Operational assets			Non-operational assets			
	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Investment Properties	Surplus assets not held for sale	Infrastructure & Community Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2024	669,863	1,273	255	1,419	669	72	673,551
Depreciation	(14,287)	(13)	(84)	-	-	(9)	(14,393)
Other Revaluation Movements	(72,006)	-	-	-	-	-	(72,006)
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	196,650	(21)	-	(49)	-	-	196,580
Disposals	(6,451)	-	-	-	-	-	(6,451)
Revaluation increases / (decreases) recognised in the Revaluation Reserve	-	-	-	-	-	-	-
Additions	72,601	-	245	-	-	-	72,846
Transfers	-	-	-	-	-	-	-
At 31 March 2025	**846,370**	**1,239**	**416**	**1,370**	**669**	**63**	**850,127**

Movements in 2023/24	Operational assets			Non-operational assets			
	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Investment Properties	Surplus assets not held for sale	Infrastructure & Community Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	692,588	1,223	221	1,477	669	81	696,259
Depreciation	(11,013)	(12)	(67)	-	-	(9)	(11,101)
Other Revaluation Movements	(52,072)	-	-	-	-	-	(52,072)
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(7,928)	62	-	(58)	-	-	(7,924)
Disposals	(5,681)	-	-	-	-	-	(5,681)
Revaluation increases / (decreases) recognised in the Revaluation Reserve	-	-	-	-	-	-	-
Additions	53,969	-	101	-	-	-	54,070
Transfers	-	-	-	-	-	-	-
At 31 March 2024	**669,863**	**1,273**	**255**	**1,419**	**669**	**72**	**673,551**

Total depreciation of £14.393m (2023/24 £11.101m) has been charged to the HRA during the year. This is comprised of dwelling depreciation £14.287m (2023/24 £11.013m), other land and buildings depreciation £0.013m (2023/24 £0.012m), vehicles, plant, furniture & equipment depreciation

£0.084m (2023/24 £0.067m) and infrastructure and community assets depreciation £0.009m (2023/24 £0.009m).

For dwelling depreciation, the Council uses calculated charges based on componentised elements of the housing stock in line with the requirements of the Code of Practice.

Other revaluation movements of £72.006m (2023/24 £52.072m) have been charged to the HRA for the loss in value to the housing stock for those dwellings earmarked for demolition during the year and Capital expenditure not adding value. A total revaluation increase of £196.580m has been reflected in the year for all HRA assets (2023/24 £7.924m decrease). £196.650m of the increase relates to council dwellings (2023/24 £7.928m decrease). An adjustment is made within the accounts to negate the impact of these changes.

2. Vacant Possession Values

The valuation of Council dwellings reflects their status as social housing and as a consequence, the Council recognises Council dwellings at a value of £846.370m (2023/24 £669.863m) on the Balance Sheet.

At vacant possession the same dwellings would have a value of £2,059.178m (2023/24 £1,628.811m), therefore recognising an economic cost to the government of providing Council Housing at less than open market rents of £1,212.808m (2023/24 £958.948m).

3. Capital Expenditure and Financing Analysis

2023/24	Expenditure funded by;	2024/25
£'000		£'000
2,910	Borrowing	15,102
-	Credit Arrangements	-
-	Revenue Contributions	-
1,729	Capital Receipts	1,402
46,652	Major Repairs Reserve	36,387
2,779	Other	19,955
54,070		**72,846**

4. Capital Receipts Analysis

2023/24		2024/25
£'000		£'000
6,583	Sales of Council Houses	5,538
23	Repayments of Right to Buy Discounts	-
-	Land Sales	-
(4)	Right to buy Mortgage Principal	(2)
6,602	**Total Capital Receipts**	**5,536**
-	Less: receipts required to be paid to the Government	-
6,602	**Useable Receipts**	**5,536**

5. Rent arrears and provision for uncollectable debts

2023/24		2024/25
£'000		£'000
5,002	Arrears at 31 March	5,334
1,920	Provision for bad debts	2,208

6. Note to the Movement on the HRA Statement

2023/24		2024/25
£'000		£'000
	Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA Balance for the year	
2,778	Difference between any other item of Income and Expenditure determined in accordance with the Code and determined in accordance with statutory HRA requirements	19,955
(71,088)	Transfer to/from Capital Adjustment Account *	110,190
1,005	Gain or (loss) on sale of HRA non-current assets	(914)
(2,953)	Net charges for retirement benefits in accordance with IAS19	(3,133)
(70,258)		126,098
	Items not included in the HRA Income and Expenditure Account but included in the movement on HRA Balance for the year	
(9,137)	Transfer to/(from) Major Repairs Reserve	36,387
2,336	Employer's contributions payable to the LGPS Pension Fund	2,583
49,191	Voluntary set aside for debt repayment	8,016
42,390		46,986
(27,868)	**Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year**	**173,084**

* The transfer to/from Capital Adjustment account line shows the total of all adjustments previously shown separately in previous years accounts. The adjustments include, but are not limited to, charges for depreciation, revaluation losses and impairment charges.

7. Housing Stock

The Council dwelling stock was as follows:-

At 31 March 2024		At 31 March 2025
	Analysed by type:-	
17,403	Houses and Bungalows	17,331
2,794	Low rise flats and maisonettes	2,791
2,759	Medium and high rise flats	2,761
5	Other	-
22,961		**22,883**

8. *Contribution to Pension Reserve*

The requirements of IAS19 are to show the cost of pensions earned in the year in the cost of service lines, an adjustment to or from the pensions reserve is then required to bring the bottom line charge against rents back to the amount of the employer's contribution to the pension fund in the year. The pension liability for the year is £3.133m (2023/24 £2.953m).

2023/24		2024/25
£'000		£'000
2,942	Current service cost	2,729
-	Past Service Cost	-
2,942		2,729
	Pensions Interest Cost and expected return on assets	
7,183	Interest on Liabilities	7,798
(7,172)	Expected return on assets	(7,394)
2,953	**Transfer to pensions reserve**	**3,133**

9. *HRA Reserves*

As there is a statutory requirement to account for the HRA separately from the remainder of Hull City Council, the accumulated HRA reserve is also recognised separately:

Movements in 2024/25	General Reserve	Major Repairs Reserve (MRR)	* Future Capital Expenditure	Total
	£'000	£'000	£'000	£'000
At 1 April 2024	3,750	-	19,858	23,608
Transfer of Depreciation to MRR	-	14,384	-	14,384
Contribution to finance capital expenditure for the year	-	22,003	-	22,003
Use of MRR to finance capital expenditure for the year	-	(36,387)	-	(36,387)
Transfer to / (from) reserves to support the HRA revenue programme	-	-	3,140	3,140
At 31 March 2025	**3,750**	**-**	**22,998**	**26,748**

Movements in 2023/24	General Reserve	Major Repairs Reserve (MRR)	* Future Capital Expenditure	Total
	£'000	£'000	£'000	£'000
At 1 April 2023	3,750	55,789	15,373	74,912
Transfer of Depreciation to MRR	-	11,101	-	11,101
Contribution to finance capital expenditure for the year	-	(20,238)	-	(20,238)
Use of MRR to finance capital expenditure for the year	-	(46,652)	-	(46,652)
Transfer to / (from) reserves to support the HRA revenue programme	-	-	4,485	4,485
At 31 March 2024	**3,750**	**-**	**19,858**	**23,608**

* Reserves set-aside to support the total capital programme for maintaining properties.

COLLECTION FUND STATEMENT

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of the Council Tax and Non-Domestic Rates.

In 2013/14 Local Government Finance regime was revised with the introduction of the Retained Business Rates Scheme. The main aim of the scheme is to give Local Authorities greater incentives to grow businesses in the area, as the scheme allows Councils to retain a proportion of the total Business Rates collected. It does, however, also increase the financial risk due to non-collection and the volatility of the NNDR tax base.

The following Statement reflects these changes.

2023/24 Total		2024/25 Council Tax	2024/25 Business Rates	2024/25 Total
£'000		£'000	£'000	£'000
	Income			
131,070	Income from Council Tax	140,389	-	140,389
	Transfers from General Fund			
-	- Council Tax benefits	-	-	-
-	- Transitional relief	-	-	-
-	- Discounts for prompt payment	-	-	-
73,764	Income collectable from business ratepayers		81,095	81,095
-	-Transitional Protection payments	-	-	-
1,947	- Income collectable in respect of Business Rate Supplements	-	(87)	(87)
-	Contributions	-	-	-
-	- Towards previous year's Collection Fund deficit	-	-	-
-	- Adjustment of previous years' community charges	-	-	-
206,781		140,389	81,008	221,397
	Expenditure			
	Precepts and demands			
42,390	- Central Government	-	42,417	42,417
146,738	- Hull City Council	112,116	41,569	153,685
17,428	- Police and Crime Commissioner for Humberside	18,548	-	18,548
7,028	- Humberside Fire Authority	6,461	848	7,309
	Business rates			
-	- Payment to national pool	-	-	-
41	- Interest paid on refunds to ratepayers	-	175	175
347	- Costs of collection	-	346	346
(2,222)	- Transitional Protection payments	-	(612)	(612)
-	Business Rate Supplements	-	-	-
	Uncollectable Amounts			
(4,028)	- Write-offs	(1,337)	(27)	(1,364)
4,117	- Provisions	1,905	797	2,702
(5,688)	Provision for Appeals	-	56	56
-	- Other Transfers to General Fund (disregarded amounts)	-	-	-
	Distribution of previous year's estimated Collection Fund surplus			
1,909	- Central Government	-	2,452	2,452
3,228	- Hull City Council	(370)	2,403	2,033
226	- Police and Crime Commissioner for Humberside	(58)	-	(58)
115	- Humberside Fire Authority	(33)	49	16
211,629		137,232	90,473	227,705
(4,848)	Movement on fund balance	3,157	(9,465)	(6,308)
9,720	Balance brought forward at 1 April 2024	(442)	5,314	4,872
4,872	**Balance carried forward at 31 March 2025**	**2,715**	**(4,151)**	**(1,436)**

Note: The total business rates surplus balance (£4.1m) carried forward as at 31 March 2025 relates to the business rates scheme as a whole. Hull City Council's share is 49% which is £2.0m. The remaining share is split between Central Government (50%) and Humberside Fire Authority (1%).

NOTES TO THE COLLECTION FUND STATEMENT

1. *Council Tax*

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into 9 valuation bands for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the Police and Crime Commissioner for Humberside, the Humberside Fire Authority and the Council for the forthcoming year and dividing this by "the council tax base" – the total number of properties in each band adjusted by a proportion to convert the number to a band D equivalent and for discounts.

The Council Tax base for 2024/25 was 65,966 (64,983 in 2023/24) calculated as follows:

Total Number of properties in band	125,233
Impact of changes to Council Tax re: discount/exemptions and empty property	(15,313)
Reduction in Tax Base for Reduction Scheme	(18,108)
Total equivalent number of dwellings	91,812

Band	Chargeable Dwellings	Ratio	Band D Equivalents
Disability A	160	5/9	89
A	55,457	6/9	36,970
B	19,883	7/9	15,465
C	10,063	8/9	8,945
D	4,541	9/9	4,541
E	1,332	11/9	1,628
F	301	13/9	435
G	58	15/9	97
H	17	18/9	33
Total	91,812		68,203
Less allowance for non-collection			(2,237)
Tax Base for the calculation of Council Tax			**65,966**

The Council's basic amount of Council Tax for a Band D property of £1,699.61 (£1,618.83 for 2023/24) is multiplied by the proportion specified for the particular band to give an individual amount due. Therefore, the total precept and demand used to set the Council Tax for 2024/25 was £112.116m (65,966 dwellings multiplied by £1,699.61). This, plus the agreed distribution of the previous year's deficit of £0.370m gives a total distribution from the Collection Fund to preceptors of £111.746m, compared to income from Council Tax payers of £140.388m.

2. *National Non-Domestic Rates (NNDR)*

NNDR is organised on a national basis. As of 1 April 2005 the Government introduced a new category of multiplier for small businesses. Local businesses now pay rates calculated by multiplying their rateable value by their appropriate rate subject to the effects of transitional arrangements.

For 2024/25 these rates are:

Non-Domestic rating multiplier 54.6p (2023/24 51.2p)
Small Business Non-Domestic rating multiplier 49.9p (2023/24 49.9p)

The total non-domestic rateable value at 31 March 2025 increased from £232.720m at 31 March 2024 to £233.852m, of which £82.492m relates to small businesses. The 2023 list of revaluations was introduced on the 1 April 2023. Applying the correspondent rating multipliers gives a gross collectable figure at 31 March 2025 of £123.806m.

The collectable amount is different to the actual income from business ratepayers as per the Collection Fund Statement (£81.182m).

This is because the collectable amount is subject to rateable value changes and refunds over the period and also to several mandatory and discretionary reliefs, such as those applied to premises occupied by charities or those that are empty.

GROUP ACCOUNTS
INTRODUCTION

The 2024/25 Code of Practice on Local Authority Accounting in the United Kingdom sets out comprehensive requirements for group accounts. These require Local Authorities to consider all their interests in subsidiaries, associates or joint ventures.

The Council has a relationship with other companies and organisations whose assets and liabilities are not included in the Council's single entity accounts (see Note 36 Related Parties). In the cases where the Council's interest does not extend to a relationship that could be classed as a subsidiary, associate or joint venture, those entities have not been included in the Group Accounts. Where Council interests in other companies do extend to such a relationship but consolidation into Group Accounts would not be materially different to the Council's single entity position, those entities have not been included in the Group Accounts.

Two wholly-owned subsidiaries have been included in the Group Accounts, both companies have a financial year end of 31st March:

1. Hull Culture and Leisure Limited (HCAL).

HCAL was incorporated during the 2014/15 financial year and commenced trading on 1 April 2015. The company's objectives are specifically to provide the following:

i) Provision of facilities for recreation or other leisure time occupation for the public at large in the interests of social welfare with the object of improving their condition of life;

ii) Provision of or assistance in the provision of facilities in the interest of social welfare or recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their condition of life;

iii) Advancement of the education of the public in all subject areas including literature, the marine environment and seafaring, history, heritage of the city and region, natural sciences, decorative and fine arts, antiquities, sculpture, painting and handicrafts and other associated arts.

2. Kingstown Works Limited (KWL).

KWL was incorporated during the 2006/07 financial year and commenced trading on 1 April 2007. The original purpose of the company was to undertake building services repairs and improvements. In September 2012 the Council transferred its Fleet and Street Lighting services to KWL.

The core business is the provision of property services to approximately 26,000 homes in the Hull area including the servicing and maintenance of domestic gas appliances in over 22,000 properties. The business also supplies and maintains over 600 vehicles for the Council. In addition, KWL services and repairs 35,000 + streetlights in Hull.

GROUP MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Group, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

2024/25	Note	General Fund Balance	Earmarked GF Reserves	Earmarked HRA Reserves	Housing Revenue Account	Major Repairs Reserve	Capital Receipt Reserve	Capital Grants Unapplied	**Total Usable Reserves**	Unusable Reserves	Council's Share of Group Reserves	**Total Group Reserves**
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 31 March 2024		20,968	20,186	19,858	3,750	-	38,836	49,442	**153,040**	623,002	20,690	**796,732**
Surplus/(deficit) on provision of Services (accounting basis)		(81,328)	-	-	176,224	-	-	-	**94,896**	-	2,917	**97,813**
Other Comprehensive Expenditure and Income		-	-	-	-	-	-	-	**-**	32,822	(45)	**32,777**
Total Comprehensive Expenditure and Income		(81,328)	-	-	176,224	-	-	-	**94,896**	32,822	2,872	**130,590**
Adjustments between accounting basis and funding basis under regulations		75,315	-	-	(173,084)	-	1,938	(13,892)	**(109,723)**	111,708	(1,821)	**164**
Net increase / (decrease) before transfers to Earmarked Reserves		(6,013)	-	-	3,140	-	1,938	(13,892)	**(14,827)**	144,530	1,051	**130,754**
Transfers to / (from) Earmarked Reserves		6,013	(6,013)	3,140	(3,140)	-	-	-	**-**	-	-	**-**
Increase / (Decrease) in Year		-	(6,013)	3,140	-	-	1,938	(13,892)	**(14,827)**	144,530	1,051	**130,754**
Balance at 31 March 2025		**20,968**	**14,173**	**22,998**	**3,750**	**-**	**40,774**	**35,550**	**138,213**	**767,532**	**21,741**	**927,486**

2023/24	Note	General Fund Balance	Earmarked GF Reserves	Earmarked HRA Reserves	Housing Revenue Account	Major Repairs Reserve	Capital Receipt Reserve	Capital Grants Unapplied	**Total Usable Reserves**	Unusable Reserves	Council's Share of Group Reserves	**Total Group Reserves**
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 31 March 2023		20,968	25,678	15,373	3,750	55,789	36,500	17,827	**175,885**	744,388	20,756	**941,029**
Surplus/(deficit) on provision of Services (accounting basis)		(30,563)	-	-	(23,383)	-	-	-	**(53,946)**	-	2,742	**(51,204)**
Other Comprehensive Expenditure and Income		-	-	-	-	-	-	-	**-**	(90,285)	(2,808)	**(93,093)**
Total Comprehensive Expenditure and Income		(30,563)	-	-	(23,383)	-	-	-	**(53,946)**	(90,285)	(66)	**(144,297)**
Adjustments between accounting basis and funding basis under regulations		25,071	-	-	27,868	(55,789)	2,336	31,615	**31,101**	(31,101)	-	**-**
Net increase / (decrease) before transfers to Earmarked Reserves		(5,492)	-	-	4,485	(55,789)	2,336	31,615	**(22,845)**	(121,386)	(66)	**(144,297)**
Transfers to / (from) Earmarked Reserves		5,492	(5,492)	4,485	(4,485)	-	-	-	**-**	-	-	**-**
Increase / (Decrease) in Year		-	(5,492)	4,485	-	(55,789)	2,336	31,615	**(22,845)**	(121,386)	(66)	**(144,297)**
Balance at 31 March 2024		**20,968**	**20,186**	**19,858**	**3,750**	**-**	**38,836**	**49,442**	**153,040**	**623,002**	**20,690**	**796,732**

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This account summarises the resources that have been generated or consumed in providing services and managing the Group during the last year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of non-current assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

£'000	£'000	£'000			£'000	£'000	£'000
203,000	(146,436)	56,564		Public Health and Adults	228,282	(167,743)	60,539
172,371	(72,402)	99,969		Regeneration	181,170	(80,315)	100,855
193,878	(128,435)	65,443		City Services and Resources	222,065	(131,361)	90,704
128,128	(21,717)	106,411		Children's Services	124,891	(22,141)	102,750
85,602	(86,041)	(439)		School Services	112,932	(107,846)	5,086
127,082	(106,532)	20,550		Local Authority Housing (HRA)	145,363	(310,782)	(165,419)
6,001	(10,614)	(4,613)		Corporate Costs	11,145	(15,088)	(3,943)
916,061	**(572,176)**	**343,885**		**Cost of Services**	**1,025,848**	**(835,276)**	**190,572**
		15,957		Other Operating Income and Expenditure			12,358
		21,000	2	Financing and Investment Income and Expenditure			33,845
		(329,638)		Taxation and Non-Specific Grant Income			(334,761)
		51,204		**Surplus / (Deficit) on Provision of Services**			**(97,986)**
		24		Tax on profit on ordinary activities			45
		(14,956)		(Surplus)/deficit on revaluation of non-current assets			(134,138)
		13,275		Impairment losses on non-current assets charged to the revaluation reserve			105,338
		94,750	11	Remeasurement of the net defined benefit liability			(4,013)
		93,093		Other Comprehensive Income and Expenditure			(32,768)
		144,297		**TOTAL COMPREHENSIVE INCOME AND EXPENDITURE**			**(130,754)**

GROUP BALANCE SHEET

The Balance Sheet summarises the financial position of the Group, including the Housing Revenue Account and the Collection Fund. It shows the value of the Group's assets and liabilities at the end of the financial year. It excludes Trust Funds and Pension Fund balances.

31 March 2024		Note	31 March 2025
£'000			£'000
1,621,449	Property, Plant and Equipment	3	1,832,589
5,793	Heritage Assets		5,878
65,628	Investment Property		60,680
9,483	Intangible Assets		8,441
10	Long Term Investments		10
11,401	Long Term Debtors		10,870
1,713,764	**Long Term Assets**		**1,918,468**
1,656	Inventories		1,952
87,967	Short Term Debtors	4	84,585
16,762	Cash and Cash Equivalents	5	26,469
-	Other Short Term Assets		567
106,385	**Current Assets**		**113,573**
(193,975)	Short Term Borrowing		(195,914)
(72,851)	Short Term Creditors	6	(71,860)
(2,354)	Provision for accumulated absences		(1,994)
(1,005)	Capital Grants Receipts in Advance		(30)
(6,665)	Lease Liabilities		(14,952)
(276,850)	**Current Liabilities**		**(284,750)**
(1,355)	Long Term Creditors		(3,690)
(6,909)	Provisions		(6,532)
(515,290)	Long Term Borrowing		(583,785)
(91,726)	Other Long Term Liabilities	11	(82,966)
(791)	Capital Grants Receipts in Advance		(372)
(130,496)	Lease Liabilities		(142,460)
(746,567)	**Long Term Liabilities**		**(819,805)**
796,732	**NET ASSETS**		**927,486**
173,730	Usable Reserves	7	159,954
623,002	Unusable Reserves		767,532
796,732	**TOTAL RESERVES**		**927,486**

*Lease Liabilities are significantly lower as a group. £21.695m of lease liabilities on the sole balance sheet relate to VPE leased in from KWL. Therefore this Liability is reversed out as part of the consolidation.

GROUP CASH FLOW STATEMENT

This statement summarises the inflows and outflows of cash arising from Group transactions with third parties for revenue and capital purposes.

2023/24 £'000		Note	2024/25 £'000
(52,001)	Net surplus or (deficit) on the provision of services		97,986
108,688	Adjustment to surplus or deficit on the provision of services for non-cash movements	8	(8,311)
(126,572)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	8	(61,513)
(69,885)	**Net Cash flows from Operating Activities**		28,162
(13,048)	Net cash flows from Investing Activities	9	(76,132)
43,348	Net cash flows from Financing Activities	10	57,676
(39,585)	Net increase or (decrease) in cash and cash equivalents		9,706
56,348	Cash and cash equivalents at the beginning of the reporting period		16,763
16,763	**Cash and cash equivalents at the end of the reporting period**		**26,469**

NOTES TO THE GROUP FINANCIAL STATEMENTS

1 Accounting Policies

The group accounting policies are specified within the Council only statement. However, there are some slight divergences from these policies within the group as well as issues applicable to the subsidiary companies only. These are detailed below:

i. Deferred Tax

Deferred tax is recognised in respect of an obligation to pay more tax in the future or a right to pay less tax in the future as at the Balance Sheet date. This represents differences between the company's taxable profits and its results as stated in the financial statement.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to be resolved, based on tax rates and laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax is measured on a non-discounted basis.

ii. Pensions

The treatment of group pension costs is in accordance with the requirements of IAS19 Employee Benefits. The Council recognises the cost of post-employment benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment is reversed out of the General Fund via the Movement in Reserves Statement and is presented within the Council's Unusable Reserves.

The subsidiary companies within the group do not raise Council Tax receipts and therefore the costs of post-employment are not transferred to Unusable Reserves but are reflected in the Pension Reserve (Subsidiaries).

As stated in the Accounting Policies under (ix) Employee Benefits – The Local Government Pension Scheme, the assets and liabilities of the pooled fund incorporating Kingston Upon Hull City Council, Hull Culture and Leisure Limited (HC&L) and Kingstown Works Limited (KWL) have been consolidated into Kingston upon hull City Council's single entity accounts.

The revised accounting treatment simplifies the presentation and removes any impact on fund balances from the individual company accounts and improves transparency of the trading position of the Companies. The Pension Reserve (Subsidiaries) is therefore no longer included in the Group's Useable Reserves.

iii. Group Transactions

The Council both commissions services from and provides support services to the subsidiary companies.

iv. Consolidation of Subsidiaries

Subsidiaries have been consolidated using the acquisition accounting basis. This is a full, line by line consolidation of the financial transactions and balances of the Council and its subsidiaries. To avoid overstating the figures within the group financial statements, all transactions and balances between members of the group (the Council and its subsidiaries) have been eliminated.

v. Capital Expenditure

The de-minimis level for capital expenditure for the subsidiary companies is £10,000.

vi. Accounting Standards

The accounts for the subsidiary companies have been prepared in accordance with UKGAAP, which is the overall body of regulation applicable to company accounts.

- FRS102 requires an accrual to be made in subsidiary accounts for employee benefits which is also required under IFRS.
- Operating leases held by subsidiaries are also classified as operating leases under IFRS.

2 Group Financing and Investment Income and Expenditure

2023/24		2024/25
£'000		£'000
29,035	Interest payable and similar charges	32,544
(2,578)	Pension interest cost and expected return on pension assets	3,452
(3,448)	Interest receivable and similar income	(3,022)
325	(Surplus)/Deficit from Trading Operations	273
(2,089)	Net income/expenditure from investment properties	(1,795)
(245)	Change in fair value of investment properties	2,393
-	Other investment income	-
21,000		**33,845**

3 Group Property, Plant and Equipment

Movements in 2024/25

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant and Equipment	PFI Assets included in Property, Plant and Equipment	Leased Out Assets included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2024	732,949	756,166	70,426	-	22,434	2,583	1,584,558	95,381	297,673
Opening Balance Adjustment	-	17,538	-	-	-	-	17,538	-	-
Amended Opening Balance	732,949	773,704	70,426	-	22,434	2,583	1,602,096	95,381	297,673
Additions	72,601	45,670	9,976	-	-	18,249	146,496	1,778	3,867
Donations	-	-	-	-	-	-	-	-	-
Revaluation increases / (decreases) recognised in the Revaluation Reserve	-	(27,558)	-	(2)	(938)	-	(28,498)	(9,868)	(84,969)
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	133,564	(73,902)	-	(134)	215	-	59,743	(1,542)	(11,703)
Derecognition - Disposals	(6,451)	-	(3,612)	-	-	-	(10,063)	-	-
Derecognition - Other	-	(3,223)	-	-	-	-	(3,223)	-	-
Other movements in cost or valuation	-	5,961	-	245	(119)	(2,408)	3,679	-	34,165
At 31 March 2025	932,663	720,652	76,790	109	21,592	18,424	1,770,230	85,749	239,033
Accumulated Depreciation and Impairments									
At 1 April 2024	(63,086)	(33,792)	(49,394)	-	(2,265)	(176)	(148,713)	(8,323)	-
Accumulated Depreciation written out	63,086	33,792	-	-	-	-	96,878	-	-
Depreciation charge	(14,287)	(26,327)	(5,140)	-	(1)	-	(45,755)	(2,671)	(9,839)
Depreciation written out to the Revaluation Reserve	-	57,047	-	-	422	-	57,469	10,970	-
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	11,263	-	2	94	-	11,359	-	-
Impairment losses / (reversals) recognised in the Revaluation Reserve	-	-	-	-	-	-	-	-	-
Impairment losses / (reversals) recognised in the Surplus/Deficit on the Provision of Services	(72,006)	(28,274)	(2,183)	-	-	(2)	(102,465)	-	-
Derecognition - Disposals	-	-	3,464	-	-	-	3,464	-	-
Derecognition - Other	-	-	-	-	-	-	-	-	-
Other movements in depreciation and impairment	-	-	-	-	-	-	-	-	-
At 31 March 2025	(86,293)	13,709	(53,253)	2	(1,750)	(178)	(127,763)	(24)	(9,839)
Net Book Value at 31 March 2025	**846,370**	**734,361**	**23,537**	**111**	**19,842**	**18,246**	**1,642,467**	**85,725**	**229,194**
at 31 March 2024	669,863	722,374	21,032	-	20,169	2,407	1,435,845	87,058	297,673

Movements in 2023/24

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant and Equipment	PFI Assets included in Property, Plant and Equipment	Leased Out Assets included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2023	743,021	771,396	67,603	164	23,419	760	1,606,363	95,366	313,887
Additions	53,970	52,877	5,288	-	1,351	1,823	115,309	-	832
Donations	-	-	-	-	-	-	-	-	-
Revaluation increases / (decreases) recognised in the Revaluation Reserve	-	(8,918)	-	(164)	(711)	-	(9,793)	(73)	(10,455)
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(58,361)	(42,029)	-	-	83	-	(100,307)	88	(458)
Derecognition - Disposals	(5,681)	(17,160)	(2,465)	-	(1,708)	-	(27,014)	-	(71)
Derecognition - Other	-	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-	-	-
Reclassification to/(from) Leased Out Assets	-	-	-	-	-	-	-	-	(6,062)
At 31 March 2024	732,949	756,166	70,426	-	22,434	2,583	1,584,558	95,381	297,673
Accumulated Depreciation and Impairments									
At 1 April 2023	(50,433)	(30,300)	(45,957)	-	(2,265)	(176)	(129,131)	(7,023)	0
Accumulated Depreciation written out	50,433	30,300					80,733		-
Depreciation charge	(11,014)	(18,408)	(4,861)	-	-	-	(34,283)	(1,989)	(4,842)
Depreciation written out to the Revaluation Reserve	-	11,748	-	-	-	-	11,748	689	4,841
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	1,229	-	-	-	-	1,229		-
Impairment losses / (reversals) recognised in the Revaluation Reserve	-		-	-	-	-	-	-	-
Impairment losses / (reversals) recognised in the Surplus/Deficit on the Provision of Services	(52,072)	(28,990)	(832)	-	-	-	(81,894)	-	-
Derecognition - Disposals	-	629	2,256	-	-	-	2,885	-	1
Derecognition - Other	-	-	-	-	-	-	-	-	-
Other movements in depreciation and impairment	-	-	-	-	-	-	-	-	-
At 31 March 2024	(63,086)	(33,792)	(49,394)	-	(2,265)	(176)	(148,713)	(8,323)	-
Net Book Value									
at 31 March 2024	669,863	722,374	21,032	-	20,169	2,407	1,435,845	87,058	297,673
at 31 March 2023	692,588	741,096	21,646	164	21,154	584	1,477,232	88,343	313,887

Infrastructure Assets

2023/24 £'000		2024/25 £'000
	Net book value (modified historical cost)	
181,959	**at 1 April**	185,604
13,043	Additions	14,126
	Derecognition	-
(9,398)	Depreciation	(9,608)
-	Impairment	-
-	Other movements in cost	-
185,604	**Net book value at 31 March**	**190,122**

2023/24 £'000		2024/25 £'000
185,604	Infrastructure assets	190,122
1,435,845	Other PPE assets	1,642,467
1,621,449	**Total PPE assets**	**1,832,589**

4 Group Short Term Debtors

2023/24 £'000		2024/25 £'000
19,229	Central government bodies	24,965
1,282	Other local authorities	1,650
17,479	NHS bodies	2,920
75,983	Other entities and individuals	82,176
(26,006)	Less: Impairment allowance for doubtful debts	(27,126)
87,967		**84,585**

Where income which relates to the reporting year is expected to be received after the financial year end, an estimate is made of the amount to be accrued.

5 Group Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

2023/24 £'000		2024/25 £'000
168	Cash held by the Group	213
(8,391)	Bank current accounts	(9,833)
24,985	Short-term deposits with banks/building societies	36,089
16,762	**Total Cash and Cash Equivalents**	**26,469**

6 *Group Short Term Creditors*

An analysis of the Group's creditors for amounts falling due within one year is shown below.

2023/24		2024/25
£'000		£'000
25,266	Central government bodies	18,727
1,151	Other local authorities	6,414
122	NHS bodies	2,003
46,312	Other entities and individuals	44,716
72,851		**71,860**

Where expenditure has been incurred but not invoiced, an estimate is made of the amount to be accrued.

7 *Group Usable Reserves*

2023/24		2024/25
£'000		£'000
20,968	General Fund Balance	20,968
20,690	Profit and Loss Reserve (Subsidiaries)	21,741
-	Pensions Reserve (Subsidiaries)	-
20,186	Earmarked General Fund Reserves	14,173
3,750	Housing Revenue Account	3,750
19,858	Earmarked Housing Revenue Account Reserves	22,998
-	Major Repairs Reserve	-
38,836	Capital Receipt Reserves	40,774
49,442	Capital Grants Unapplied	35,550
173,730		**159,954**

8 *Group Cash Flow Statement – Operating Activities*

Adjustments to net surplus or deficit on the provision of services for non-cash movements:

2023/24		2024/25
£'000		£'000
95,879	Depreciation and Impairment	55,445
19,917	Downward/(upward) valuations	(63,935)
3,243	Amortisation	3,303
(7,059)	Increase/(decrease) in Creditors	(5,759)
(20,739)	(Increase)/decrease in Debtors	4,598
194	(Increase)/decrease in Stock	(293)
(4,742)	Movement in pension liability	(5,305)
24,407	Carry amount of non-current assets and non-current assets held for sale, sold or de-recognised	6,883
(2,412)	Other non-cash items charged to the net surplus or deficit on the provision of services	(3,248)
108,688		**(8,311)**

Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities:

2023/24		2024/25
£'000		£'000
-	Proceeds from short-term and long-term investments	-
(10,114)	Proceeds from the sale of PP&E, investment property and intangible assets	(9,414)
(116,458)	Any other items for which the cash effects are investing or financing cash flows	(52,099)
(126,572)		**(61,513)**

The cash flows for operating activities include the following items:

2023/24		2024/25
£'000		£'000
3,439	Interest received	3,147
(28,208)	Interest paid	(33,267)
-	Dividends received	-
	Other Lease Income	(216)
-	Other Lease Payments	366
(24,769)		**(29,970)**

9 Group Cash Flow Statement – Investing Activities

2023/24		2024/25
£'000		£'000
(99,388)	Purchase of property, plant and equipment, investment property and intangible assets	(88,201)
-	Purchase of short-term and long-term investments	-
(6)	Other payments for investing activities	(975)
10,114	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	9,414
-	Proceeds from short-term and long-term investments	-
76,232	Other receipts from investing activities	3,630
(13,048)	**Net cash flows from investing activities**	**(76,132)**

10 Group Cash Flow Statement – Financing Activities

2023/24		2024/25
£'000		£'000
178,000	Cash receipts of short and long term borrowing	475,000
40,209	Other receipts/payments from financing activities	-
(7,199)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(7,505)
(167,506)	Repayments of short and long term borrowing	(403,920)
(156)	Other payments for financing activities	(5,899)
43,348	**Net cash flow from financing activities**	**57,676**

11 Group Local Government Pension Scheme

Kingstown Works Ltd (KWL) and Hull Culture and Leisure Ltd (HCAL) are participating employers in the East Riding Pension Fund. In line with the Accounting Policies of the Council and Group the transactions for KWL and HCAL in regards to their defined benefit pension schemes have already been included in the Council's accounts and the subsidiaries liabilities are no longer reflected in their usable reserves (retained earnings) via the Group Movement in Reserves Statement. The following table reflect the Group Comprehensive Income and Expenditure Statement and the Group Usable Reserves via the Group Movement in Reserves Statement during the year:

Group Assets and Liabilities in Relation to Post-Employment Benefits:

2023/24		2024/25
£'000		£'000
	Reconciliation of fair value of the scheme (plan) assets	
1,691,854	Opening balance at 1 April	1,820,571
507	Hull Culture & Leisure opening balance pension restatement	-
80,018	Interest income	87,216
	Remeasurement gain / (loss)	
62,877	Return on plan assets (excluding amounts included in the net interest expense)	(8,199)
-	Other	-
38,480	Employer Contributions	41,548
10,308	Contributions by scheme participants	11,136
-	Entity combinations	-
(63,417)	Benefits paid	(61,691)
-	Settlements	-
1,820,627	**Closing balance at 31 March**	**1,890,581**
	Reconciliation of present value of scheme liabilities (defined benefit obligation)	
(1,553,377)	Opening balance at 1 April	(1,571,468)
-	Hull Culture & Leisure opening balance 1 April	-
(33,658)	Current Service Cost	(33,032)
(73,330)	Interest Cost	(75,032)
(10,308)	Contributions by scheme participants	(11,136)
	Remeasurement gain / (loss)	
9,614	Actuarial gains/losses arising from changes in demographic assumptions	2,749
72,800	Actuarial gains/losses arising from changes in financial assumptions	238,877
(46,608)	Other	16,789
(18)	Past service costs	(155)
-	Entity combinations	-
63,417	Benefits paid	61,691
-	Settlements	-
(1,571,468)	**Closing balance at 31 March**	**(1,370,717)**

Group Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Group's obligation in respect of its defined benefit scheme is as follows:

2023/24		2024/25
£'000		£'000
1,820,627	Fair value of employer assets	1,890,581
(1,529,886)	Present value of funded liabilities	(1,334,579)
(41,582)	Present value of unfunded liabilities	(36,138)
(340,788)	Asset Ceiling Adjustment	(602,166)
(91,629)	*	**(82,302)**

* The Balance Sheet entry for Other Long Term Liabilities at 31 March 2025 includes £0.097m of outstanding mortgages and £0.567m in relation to right-of-use assets. (2023/24 total of £91.276m includes £0.097m of outstanding mortgages).

Asset Ceiling

Following the pensions valuation by the groups actuary, Hymans Robertson LLP, the Council determined that the fair value of its pension plan assets outweighed the present value of the plan obligations at 31 March 2024 resulting in a pension plan asset for the first time. IAS19 Employees Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. The groups actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions.

The Council has therefore limited the Pension asset recognised in its balance sheet to the asset ceiling. The adjustment has been recognised within other comprehensive income and expenditure of the CIES.

Asset Ceiling Adjustment Reconciliation

2023/24		2024/25
£'000		£'000
143,245	Opening Effect of Asset Ceiling	340,788
6,804	Interest on the effect of Asset Ceiling	15,231
190,739	Changes on the effect of Asset Ceiling	246,147
340,788	Effect of Asset Ceiling at 31 March	**602,166**

Basis for Estimating Group Assets and Liabilities

Financial and mortality assumptions are broadly similar to Hull City Council's assumptions. See Note 43 for assumptions.

Sensitivity analysis applied to the Group Pension Liability is not materially different to the Council's sensitivity detailed in Note 43.

12 Group External Auditors Fee

Forvis Mazars LLP has provided audit services to the Council in respect of the audit of the single entity and group financial statements, and other services, as disclosed in Note 33 of the single entity accounts.

Hull Culture and Leisure Limited

Forvis Mazars LLP provided audit services to Hull Culture and Leisure Limited during 2024/25 at an estimated cost of £25,000.

RSM UK provide tax compliance services to Hull Culture and Leisure Limited during 2024/25 at an estimated cost of £10,000.

Forvis Mazars LLP provided audit services to Hull Culture and Leisure Limited during 2023/24 at an estimated cost of £21,000.

RSM UK provide tax compliance services to Hull Culture and Leisure Limited during 2023/24 at an estimated cost of £6,000.

Kingstown Works Limited

Smailes Goldie provided audit and tax services to Kingstown Works Limited during 2024/25 at an estimated cost of £24,000. Smailes Goldie provided audit and tax services to Kingstown Works Limited during 2023/24 at a cost of £22,000.

GLOSSARY OF TERMS

Accounting Policies
The principles, bases, conventions, rules and practices applied that specify how an organisation will reflect transactions within its accounts.

Accruals
Adjustments made to ensure that the accounts reflect the actual value of work done or goods and services received within the financial year, rather than cash payments made and received in the period.

Amortisation
The annual charge to revenue to write down the value of an intangible asset or associated grant in the way that depreciation writes down tangible assets.

Bad Debts
Debts owed to the Council which are considered not recoverable. When a debt is bad it should be 'written off'; that is we should recognise that we will not receive the income.

Balances
Revenue balances are the accumulated surplus of income over expenditure on any of the Councils funds.

Capital Adjustment Account
Records the consumption of the historic cost of non-current assets and revenue expenditure funded from capital under statute over the period that the Council benefits from the expenditure.

Capital Expenditure
This is expenditure on the acquisition of non-current assets which have a long term value to the Council (e.g. purchase of land, erection of buildings), or expenditure that adds to the value of these assets and not just maintains their existing value.

Capital Financing Charges
These are the annual charges arising from the financing of capital expenditure and include items such as loan interest and repayments, leasing charges and contributions from revenue.

Capital Grants Unapplied Reserve
A reserve holding grant funds for future use where conditions of expenditure have not been met.

Capital Receipts
These are proceeds, in excess of £10,000, from the sale of capital assets such as land or property. A proportion of these receipts can be used to fund the capital programme.

Capital Receipts Reserve
A reserve holding funds received from the sale of land or other capital assets, a proportion of which may be used to finance new capital expenditure, subject to the provisions contained within the Local Government Act 2003.

Capital Receipts Unapplied
These are capital receipts, which have yet to be used to repay outstanding external debt or to finance new capital expenditure.

Code of Practice on Local Authority Accounting
The document issued by CIPFA each year which specifies the accounting principles and practices to be followed when preparing the accounting statements.

Contingent Liabilities
This is a condition that exists at the balance sheet date where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain events.

Comprehensive Income and Expenditure Statement
The main account of the Council from which the cost of providing services is met, and precepts, grants and other income are credited.

Deferred Credits
Receipts recovered from the sale of assets, e.g. mortgages on the sale of Council houses.

Depreciation
Depreciation is the theoretical measure of the reduction in value of an asset due to age, wear and tear, or obsolescence.

Events after the Balance Sheet Date
Events which occur between the balance sheet date and the issue date of the Statement of Accounts.

Exceptional Items
Material items which derive from events or transactions that fall within the ordinary activities of the Council which need to be disclosed separately by virtue of their size or incidence to give a fair presentation of the accounts.

Extraordinary Items
Material items that are not within the Council's ordinary activities and are not expected to recur.

Finance Lease
This is a lease in which substantially transfers all of the risks and rewards of ownership of a non-current asset to the lessee.

General Fund
The Local Authority's accumulated revenue account.

Historic Cost
The original cost of acquisition, construction or purchase of a non-current asset.

Housing Revenue Account (HRA)
The account that includes all revenue expenditure and income that relates to the landlord function of managing and maintaining the Council Housing Stock. It is a statutory requirement to keep this account and it is separate (ring fenced) from the General Fund Services.

IFRS – International Financial Reporting Standards
The Accounting Standard under which the Council has compiled its Financial Statements.

Impairment
This is the reduction in the value of a non-current asset below its carrying value in the Balance Sheet.

International Accounting Standard 19 (IAS 19)
The requirement for local authorities to include the forecast cost of future pensions in the accounts on a notional basis, together with the level of assets in the fund and the level of any estimated surplus or deficit on the pension fund.

Minimum Revenue Provision (MRP)
Local authorities are required each year to set aside some of their revenues as provision for debt repayment. The provision (revenue charge) is in respect of capital expenditure financed by borrowing.

Net Book Value
This is the value which non-current assets are reflected in the Balance Sheet. This could be historic costs or current value less accumulated depreciation.

Non-operational Assets
Non-current assets held by the Council, but not used in the delivery of services or for its strategic objectives. Examples are investment properties, surplus assets pending sale, and assets under construction.

Operating Leases
An operating lease is where the risk and reward of ownership of the asset remains with the supplier or tenant and not with the Council.

Precepts
The amounts required by the City Council to meet its budget requirement.

Prior Period Adjustment
These are material adjustments which are applicable to prior reporting years due to changes in accounting policies or fundamental errors.

Private Finance Initiative (PFI)
PFI is a Government initiative in which private sector companies usually design, build and operate a public facility for a set period of time, often 25 years.

Provisions
Amounts set aside to meet liabilities or losses which are likely to be incurred or certain to be incurred but where the amounts or dates on which they will arise are uncertain.

Prudential Code
The Prudential Code is a professional Code of Practice developed by CIPFA whose objective is to ensure local authorities' capital investment plans are affordable, prudent and sustainable.

Reserves
Amounts set aside for purposes falling outside the definition of provisions. For each material reserve fund established there is a scheme governing its purpose, usage and the basis of transactions. Within reserves are the accumulated surpluses of income over expenditure on the HRA and Collection Fund and amounts transferred under the Schools' Standards and Framework Act 1998.

Revenue Expenditure
Expenditure on the day to day running cost of providing the Council's services, such as employee costs and the cost of supplies and services.

Revenue Expenditure funded from Capital under Statute
Capital expenditure where no tangible asset is created, e.g. improvement and other grants and contributions, and amounts outstanding on transferred services.

Revenue Support Grant
This is the grant paid by Central Government to help finance the cost of services provided by local authorities.

The Annual Governance Statement
This statement details the Council's internal control systems and arrangements for ensuring their effectiveness in the management of risk.

Useable Capital Receipts
The amount of the capital receipt that is available to fund capital expenditure after the statutory pool payments to Central Government has been made.

Work in Progress
The cost of work carried out up to the end of the financial year for which accounts have not been rendered.

STATEMENT OF ACCOUNTS 2024/25
FEEDBACK FORM

We actively try and improve the accounts each year and whilst a large amount of information included is prescribed in the Accounting Codes of Practice, the Council tries to keep the document as readable and user friendly as possible.
We would welcome any comments from readers of the Statement of Accounts as to how the Council can improve its layout and readability for future years. If you could complete the following short questionnaire and return to the address below we will try to accommodate any comments received. Alternatively, if you are viewing this document on the internet, there is an on-line form which you can submit.
Any comments received by 30 April 2026 will be incorporated into the 2025/26 Statement where possible, but the Council would welcome any comments after that date which the Council will try to include in future years' documents.

1. Please indicate in what capacity you are viewing this Statement.

Local Council Tax payer ☐
Local Business ☐
Other, please specify .....

2. Is the format and layout of the accounts easy to understand and follow?

Yes ☐
No ☐

If no, why not?

3. Did you find the information you were looking for?

Yes ☐
No ☐

4. Any other comments you have would be welcome:

Return Address: FAO Head of Accountancy
Corporate Finance (Financial Assurance)
City Treasury
Guildhall Road
Hull
HU1 2AB

Or please e-mail any comments to: financial.planning@hullcc.gov.uk